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No. 3, March 1981

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INTENSIFICATION OF THE CONTRADICTIONS OF REPRODUCTION IN THE PRESENT STAGE OF THE GENERAL CRISIS OF CAPITALISM

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 3-13

[Article by A. G. Mileykovskiy]

[Text] At the 26th CPSU Congress L. I. Brezhnev said that "a further intensification of the general crisis of capitalism" had occurred in recent years. "Of course, capitalism has not ceased to develop, but it is experiencing its third economic recession in the last 10 years."

Just recently, bourgeois economists had no doubt that any economic recession was simply a sign of market fluctuation that did not affect the general tendencies of economic growth. Since the mid-1970's, however, most bourgeois economists have begun to believe that growth reserves are disappearing from the United States and other capitalist countries and that the present economic situation in the West is distinguished by a completely new tendency--stagflation, as they call the combination of stagnation, or production decline, and continuous inflation. Naturally, bourgeois ideologists are not seeking an explanation for this qualitatively new state of the capitalist economy in the Marxist-Leninist theory of the reproduction and accumulation of capital under the conditions of imperialism and the general crisis of capitalism. Nonetheless, it is precisely this theory, and only this theory, that can explain the deep-seated causes of the new chronic disease of stagflation.

This heightens the importance of explanations of the deep-seated, not readily apparent processes, mediated by the overaccumulation of capital, which unite, by a system of cause and effect relationships, the seemingly diverse problems of contemporary world development that distinguish the economics, politics and class struggle in the non-socialist part of our planet. After all, the contradictions engendered by the overaccumulation of capital have ceased to be a means of capitalist development and have become one of the reasons for the intensification of its general crisis. The purpose of this article is to show how the possibilities for overcoming the contradictions engendered by the overaccumulation of capital, by means of the expanded reproduction of social capital and bourgeois production relations, have been diminished in recent decades in the developed capitalist countries.

I

Here it would be pertinent to recall that overaccumulation means that total capital has grown to such proportions that its use inhibits the acquisition of steady and sufficiently high profits. For example, the crisis upheavals of the 1970's in the United States, particularly the crisis of 1973-1975, when various contradictions of reproduction combined to make up a tight knot of problems, led to a situation in which much of the fixed capital that had operated effectively in the past was now worn or obsolete, and its overaccumulation became apparent. This part of the fixed capital turned out to be unsuitable for any further sufficiently profitable use. The overaccumulation of fixed capital engendered new contradictions of capitalist reproduction and intensified old ones. In particular, the overaccumulation of fixed capital leads to economic crises and represents a material prerequisite for the replacement of capital. Increasing scales of overaccumulation lead to deeper production decline and broader scales of replacement.

In the 14th and 15th chapters of the third volume of "Das Kapital," in the section describing the tendency of profit norms to fall, K. Marx established that the limit of capitalist growth is ultimately set by capital itself, which stems from the practice of production for the sake of profits rather than for the satisfaction of society's needs. The contradiction between the social nature of production and the capitalist appropriation of its results gives rise to periodic crises of overproduction and the depreciation of capital that is unsuitable for profitable use. The crises arising from the contradiction between production and consumption, however, have been overcome by means of capitalism's internal strength and have not inhibited its growth in depth and breadth.

Marx examined the depreciation of capital as a result of its overaccumulation and determined that it was primarily a cyclical phenomenon. He also analyzed several long-range tendencies and phenomena in capitalist production which are caused by the overaccumulation of capital. The first on Marx' list was the export of capital: "When capital is sent abroad, this does not occur because there is absolutely no use for it within the country. This occurs because it can be used abroad at a much higher profit norm."[1] The second item noted by Marx was the birth of joint stock companies in sectors with a highly organic capital structure. He said that "extremely large enterprises with an excessively high proportion of permanent capital, such as railroads, are not distinguished by the average profit norm, but only by part of it, or a percentage. Otherwise, the general profit norm would fall even lower. Conversely, sizeable accumulations of capital in the form of stock find an immediate sphere of activity in this sector."[2] Thirdly, Marx established that the centralization and concentration of production are accelerated by the declining profit norm's tendency to ruin small owners and increase the minimum amount required to start a new "business." For large enterprises, a decline in the profit norm is far from always a catastrophe because their activity is stimulated less by the profit norm than by total profits: "A declining profit norm that is compensated for by an increase in total profits is of tangible significance only to social capital as a whole and to large capitalists, the owners of existing enterprises."[3] Therefore, when the economy is dominated by huge enterprises, a declining profit norm is not necessarily an insurmountable obstacle to the further accumulation of capital.

The analysis of the overaccumulation of capital as a structural phenomenon, begun by Marx, was continued by V. I. Lenin.

The evolution of monopolistic capitalism into state-monopoly capitalism, as Lenin discovered, was not in any sense an accidental or temporary phenomenon resulting from World War I. State-monopoly capitalism guaranteed the monopolies more than just a chance to acquire fabulous profits. Its development, as Lenin established, was also due largely to the fact that monopolies, with the aid of the state, viewed the system of state-monopoly capitalism as the best way of forcing the working masses to shoulder much of the burden of overcoming the contradictions engendered by the overaccumulation of capital. Work contracted by the Treasury and the development of the entire economy in accordance with government strategy gave the anarchic capitalist economy a certain degree of organization, and this relieved large capital of some of the risk of competition and of losses connected with the overaccumulation of capital.

After World War II, despite the disappearance of some of the major links of the imperialist system and the collapse of the colonial empires, state-monopoly capitalism and the technological revolution gave the developed capitalist countries unprecedented favorable conditions for the accumulation of capital and the alleviation of conflicts connected with overproduction and stimulated the rapid growth of new industries. Since the end of this war, these countries have not experienced any cyclical crises of overproduction as severe as the crisis of the early 1930's or the kind of mass unemployment that creates the danger of serious social upheavals.

The West has been unable, however, to overcome the effects of the tendency toward the overaccumulation of capital and the related contradictions of reproduction, which have become increasingly acute and severe. The development of this tendency and these contradictions was particularly stimulated by the transformation of the United States into the most militarized power, which had created a gigantic military coalition in peacetime, including almost all of the industrial capitalist countries in its orbit, either directly or indirectly. Under the cover of the "consumer society," the growth of the military-industrial complex, stimulated by the government, took place in the United States, guaranteeing the close coordination of state interests with the interests of the largest corporations, primarily military-industrial firms.[4] It became the chief factor contributing to increasing parasitism and decay in the economy, politics and spiritual life of America. In this richest of the capitalist countries, the contradictions of production and consumption became much more acute, manifesting themselves in their old forms and in a great variety of new forms. The arms race and the strategy of cold war, accompanied by bloody "minor wars," became one of the chief causes of the increasing economic and political instability of American and world capitalism and the continued deterioration of general economic conditions and long-range tendencies.

Militarization has not only led to the abnormal development of capitalist productive forces. It has conclusively proved that production for the sake of profits, the antisocial essence of which is quite vividly reflected in the enrichment of the military-industrial complex, results in serious disparities in the economy and in the social structure of all developed capitalist countries, where the unprecedented growth of the wealth of the essentially parasitical monopolies is accomplished by means of reduced social spending on vital necessities. It is now even

more obvious than before that militarism is the chief factor impeding the elimination of poverty, starvation, disease, illiteracy and the ignorance of hundreds of millions of people in the developing countries. What is more, militarization is not strengthening U.S. economic and political positions, but is actually weakening them overall.

In her book, American economist R. Sivard presents a brilliant analysis of the consequences of U.S. militarization. In a foreword, J. Galbraith writes that this book presents convincing facts which prove that vitally important social needs remain unsatisfied as a result of the policy of militarization conducted under the pressure of "the strong military bureaucracy, influential and rich owners of defense plants, their lobbies, and the legislators who have fallen into their clutches, whose careers depend on paranoia and memories of past wars."[5] Galbraith tells the reader to carefully study and consider the passages in this work which demonstrate how the expenditure of huge sums for the sake of enriching the military monopolies deforms the economic development of the United States and the entire capitalist world and intensifies the tragedy of backwardness and poverty in the developing countries. Here is some of the evidence: "In the developing countries there is 1 soldier for each 250 inhabitants and 1 doctor for each 3,700.... Modern technology can deliver a bomb to any part of the world within minutes, but women in rural Asian and African communities have to spend several hours a day drawing water for their families.... The donor states have spent only 5 dollars per capita since 1960 toward the peaceful development of poor nations and 95 dollars toward the growth of their armed forces. The developing countries spend five times as much on imported weapons as on imported agricultural machinery."[6]

The possibility of the excessive development of economic branches whose very existence represents deductions from the national resources of the people stems not only from the activities of the military-industrial complex, which provides monopolies with the best guarantee of maximum profits. Abnormal consumption patterns and the overaccumulation of capital, signifying the squandering of national wealth, also result from the general tendencies of present-day monopolistic competition in the civilian branches of the U.S. economy and the economies of other developed capitalist countries. What is more, the latest methods of state-monopoly economic regulation have generally only served to contribute to this process under the conditions of the technological revolution.

II

One of the distinctive features of today's technological revolution is that it was born in the era of transition from capitalism to socialism, in an atmosphere of competition between the two opposing social systems, and its objective significance consists in its representation of a material and technical base for the transition to the communist structure. Bourgeois political economy, however, ignores this fact, viewing the deciding role played by scientific institutions, rather than by the production sphere, as was the case in the past, as the chief distinctive feature of the technological revolution. These institutions are supposedly already setting the guidelines for the development of the industrial capitalist countries, and will later become the dominant factor in the "post-industrial society," in which most of the population will be employed in the non-production sphere and will be composed chiefly of a politically neutral "middle class." On

the basis of this kind of abstraction, in isolation from variety, metaphysical prognostic models of the class struggle's demise are engendered.

Under the actual historical conditions of today's world, science, which is becoming the major productive force, does not in any sense rule society or determine its structure. There is no form of fatal technological determinism that can govern the development of capitalist society contrary to its inherent tendencies. Science, just as all other productive forces, develops in close interaction with production relations--the basis of society--and with the superstructure, the chief element of which is the state.

Under the conditions of state-monopoly capitalism, the development of productive forces, the appearance of which is now largely determined by the technological revolution, is increasingly influenced by the conflict between two contradictory principles: firstly, the objective need for the social regulation of the process of reproduction, reflected in the expansion of government's economic functions; secondly, the effect on the economy of spontaneous market regulation, which is being intensified by the growing influence of the main subjects of market competition--powerful monopolies using new methods of competition, adapted to the conditions of technological progress.

How does the relationship between these contradictory principles affect the problem of the overaccumulation of capital, and how does this intensify the contradictions of state-monopoly capitalism?

Capitalism was the first social order to develop productive forces that gave physical form to scientific achievements. "When we analyze the transformation of value into capital and when we examine the further development of capital, we find," K. Marx remarked, "that capital, on the one hand, presupposes a specific historical development of productive forces, including scientific development, and on the other, pushes them ahead and intensifies their development."[7]

During the industrial revolution of the 18th century and the first quarter of the 19th, which created the appropriate material and technical base for capitalism, scientific development was directly stimulated by the process of invention, based on experimentation; industry itself stimulated the development of science. Under those conditions, scientific development was financed primarily by private capital. State expenditures on education and science represented only a fraction of a percentage of the gross national product.

In the 20th century fundamental theoretical research has been a stronger stimulus of production development than the applied and experimental sciences. In most cases, this research has not been of immediate practical significance in any particular economic sphere. Expenditures on science in the developed capitalist countries absorb 1-2.5 percent of the GNP today. In the majority of cases, the achievements of fundamental science, in contrast to patents or licenses, cannot be bought and sold. For this reason, private capital has no significant motive for investments in this field of human activity, where the use of mental effort cannot be calculated according to the "cost-output" method. Expenditures on the development of the fundamental sciences, the scales of which are already tremendous and are still growing, are taken on by the state. These expenditures cannot be

strictly goal-oriented, as no advance predictions can be made regarding the particular field of science in which fundamental discoveries will be made. Experience has demonstrated the need to accept the fact that it takes a long time for fundamental theoretical research to be put to practical use. There is no longer any doubt, however, about the tremendous practical significance of fundamental theoretical research and its experimental verification for future economic development. A country's economic potential depends largely on the level of its scientific potential and on the effectiveness with which fundamental discoveries are put to practical use. Under the conditions of capitalism, expenditures on the development of science, made with a view to the future and earning no profits for a long time, are understandably made only by the state.

Since the 1920's and 1930's, the struggle for markets by means of the development of new commodities has been a distinctive feature of monopolistic competition, connected with the desire to raise the profit norm and increase total profits. As a result of this kind of competition, monopolies utilize technological progress more purposefully and carefully guard their production secrets, guaranteeing the success of commercial operations by utilizing the factor of surprise, which allows them to get the jump on their competitors. The purpose of commercial warfare, which is waged on the basis of long-range strategic plans, is more than just victory in isolated commercial operations. In addition, a monopoly must diminish the scientific and technical potential of its competitors and guarantee its own scientific and technical superiority.

In this context, it would be pertinent to return to the topic of militarization. After World War II, the nature of monopolistic competition, based largely on the use of technological progress and increasing state intervention in the economy, began to be influenced to an enormous extent by an arms race of unprecedented dimensions. Up to this time, new weapons were developed in wartime. Wars resulted in the birth of new generations of weapons. After World War II, however, five or six successive generations of weapons were developed in three decades, according to specialists, in the United States, the capitalist world's main manufacturer of weapons. The development of a new generation of weapons, which are becoming increasingly costly and are requiring more and more scientific input, has a considerable effect on the sectorial structure of the U.S. economy. The replacement of one generation by another is now accomplished in accordance with government undertakings, planned in advance and approved by the military-industrial complex. State-monopoly capitalism provides a handful of monopolists with defense contract profits in unprecedented amounts; what is more, they are guaranteed profits. A distinctive feature of the economy of present-day state-monopoly capitalism is the ability of monopolies to use both the profits and the achievements of technological progress, employed in the manufacture of new types of combat equipment, for expanded reproduction and the modernization of their enterprises.

As the proportion accounted for by branches requiring the most scientific input, having the most modern technical equipment and capable of quickly reorganizing the technological process for the manufacture of new commodities and their modernization, increased in the economies of the most highly developed capitalist countries, the development of the entire capitalist world became much more uneven. This is known to have been promoted by World War II and several other factors. By the middle of the 20th century, the United States took the leading position in the

world capitalist economy, occupying approximately the same position as England had in the 19th century. There was a simultaneous increase in the gap between the economic developmental levels of the developed capitalist states and the rest of the countries in the capitalist world.

In the postwar decades, the developed capitalist countries were distinguished by a tendency toward the equalization of economic developmental conditions, stemming in particular from the possibility of using the technological revolution for the purpose of catching up to competitors and passing them up. These new conditions for the expanded reproduction of capital with seriously intensified uneven development tended to equalize production structures and standards of living in different countries. The uneven development, reflected in varying growth rates and other indicators, illustrates the degree of intensity of competition in production spheres as well as in foreign markets.

The intensity of the competitive struggle in the sphere of capital reproduction is attested to by the change in the balance of power in the capitalist world following the third quarter of the 20th century. During this time, the United States has been losing its previous, postwar monopolistic positions as the leading power in the capitalist world, capable of dictating terms to its partners. The United States, Japan and the EEC (particularly one member of this bloc, the FRG) are becoming the three centers of world capitalism, capable of dealing perceptible blows to one another in the competitive struggle in various production fields and in all regions and sectors of the world market. This is graphically illustrated by the data presented in the table here. These data indicate that the U.S. share of world capitalist exports decreased by a third in three decades, while the shares of the FRG and Japan increased approximately threefold and fivefold.

Shares of Capitalist World Exports

Countries	1950	1960	1979
United States	18.0	18.0	12.1
FRG	3.5	10.0	11.4
Japan	1.4	3.6	6.8

U.S. NEWS AND WORLD REPORT, 9 June 1980, p 23.

Japan has caught up with the United States in steel smelting and has passed it up in the production of cement, artificial fibers, radios, television sets and many other industrial commodities. The FRG is ahead of the United States in exports of machine tools, electrical equipment and other items. The high rates of economic growth in Japan and the FRG are the result of a higher accumulation norm. Another important reason is the fact that their economies were less burdened by expenditures on arms production. Whereas per capita military expenditures in the United States totaled 520 dollars in 1979, they were equivalent to 396 dollars in the FRG and 87 dollars in Japan.[8]

The technological revolution has modified forms of capital accumulation and has thereby intensified the competitive struggle of the three centers of imperialism.

III

Bourgeois theories of state-monopoly economic regulation, connected with the search for ways of overcoming the crises that are engendered primarily by the overaccumulation of capital, were based on the postulate regarding the elasticity of labor's value. It was assumed that labor, just as physical elements of capital, could be removed from production if it could not be used profitably. But this solution to the problem of the "effective" employment of labor brought about changes in the social structure of society, which gradually accumulated and undermined its stability, despite the accumulation of capital and the expanded reproduction of bourgeois social relations. It must be borne in mind that, although capitalist production relations constitute the basis of this society, they do not encompass all of the social relations determining the stability of society. The growth of the economic power of monopolies is accompanied by increasing opposition to the monopolies as a result of stronger class struggle by the workers, who find support in petty bourgeois strata that have suffered financial ruin through the actions of large capital.

The crowding of workers, particularly the workers of small and medium-sized enterprises, out of the production and service spheres by the powerful monopolies, the ruination of peasants, who must then seek work in the cities, and the transformation of even qualified workers and employees into unemployed persons, doomed to dequalification and moral degradation, increased the number of declasse elements. The most underprivileged members of these declasse groups are concentrated in the social ghettos of large cities. The extreme Right and Left find reserves in the growing social ghettos, as well as in the fearful and insecure petty bourgeoisie and politically retarded working class strata. The extreme Right and Left blasphemously make use of slogans pertaining to socialism and the equality of people for this purpose. This is where political adventurists and demagogues make a name for themselves by promising to quickly solve all social problems by means of violent and anarchic rebellion.

It is not surprising that fascist fuehrers of various types and caliber found support among the victims of mass unemployment in the 1920's and 1930's by promising that they would immediately eradicate unemployment if they should attain power. The fascist parties in Germany, Italy and a number of other countries kept their promise to ensure so-called "full employment." They did this by creating a military-inflationary economy in their countries and by starting World War II, which turned most of the working population into "cannon fodder" and the entire population into potential victims of total destruction.

After World War II, the eradication of mass unemployment acquired primary significance for ruling classes in the developed capitalist countries. For two decades, under the conditions of relatively high (for capitalism) rates of economic growth, they could achieve relatively painless "full employment," a term used by American bourgeois science and government experts to indicate an unemployment rate of 5 percent or less. This was achieved within the framework of state-monopoly regulation on the basis of bourgeois reformism. In the mid-1970's, however, mass unemployment far surpassed the level considered acceptable by bourgeois science and it became an acute social problem, graphically attesting to the bankruptcy of the "full employment" policy.

It must be borne in mind, of course, that state-monopoly capitalism developed new methods of anti-crisis regulation and means of expanding employment within the framework of this policy. When the new crisis broke out in the middle of the 1970's, state-monopoly capitalism expanded the system of unemployment benefits. In view of the fact that this severe and prolonged crisis was preceded in the United States and in Western Europe by relatively shortlived crises, Western ruling circles at first regarded inflation, and not unemployment, as the chief danger. Later, priorities in the social and economic policy of state-monopoly capitalism began to change. Now the majority of bourgeois governments have concluded that unemployment is as serious a threat as inflation to capitalism, even though most unemployed individuals receive compensation and therefore are in no danger of starving. Nevertheless, present-day state-monopoly capitalism cannot cope with the unemployment problem. It is merely striving to keep unemployment below the "critical" level, capable of evoking dangerous social outbursts.

The working class no longer wants to live on sops and wants its wages to pay for more than a crust of bread. The working population is waging a stubborn class struggle for guaranteed and actual full employment, and this struggle against unemployment is closely interrelated with the defense of individual rights. This has occurred because the higher educational level of the working class, without which it would be impossible to use the latest technology or adapt to constantly changing production technology, causes unemployment to have a particularly painful effect on the moral, and not only the physical, state of the working public. This expansion of the objectives of the working public's class struggle reflected a new characteristic phenomenon in the capitalist society, which has developed under the conditions of the intensification of its general crisis and the technological revolution. There has been increasingly clear corroboration of the Marxist-Leninist premise that capitalism establishes the social, and not only the material, prerequisites for revolutionary struggle for the triumph of socialism.

Now that the workers movement has had to find a democratic alternative to state-monopoly economic regulation, it has become necessary to not only eradicate unemployment, but also to reorganize the economy in such a way as to guarantee actual full employment and a rational production structure consistent with the vital interests of the working public. This means that it will be necessary to eliminate a characteristic practice in the developed capitalist countries: the excessive production of commodities dictated by the whims of fashion, "prestige" factors and the satisfaction of the demand for luxury items used by parasitical social strata. And all of this is being done at a time when there is an acute shortage of hospitals, schools and resources for many other types of social and cultural public services. A democratic alternative has become essential not only to the working class, but also to the urban and rural middle strata; in other words, the overwhelming majority of the population in the developed capitalist countries.

IV

It is also impossible to understand the crisis processes in the system of state-monopoly capitalism, connected with the overaccumulation of capital, unless the current dynamics and structural consequences of capital exports are studied.

What new tendencies were discovered in this area in the 1960's and 1970's?

Above all, the export of capital has become even more important to imperialism, particularly as a means of counteracting the tendency of the profit norm to fall and as leverage for the acquisition of the necessary raw materials from the developing countries. Its scales have grown considerably and are still growing.[9] Nonetheless, on the level of the entire world capitalist economy, the expanded reproduction of capitalist production relations has been inadequate. The liberated countries, which have remained dependent on their former mother countries as a result of the established system of international capitalist division of labor, cannot solve fundamental socioeconomic and political problems in their development within the framework of this economy.

Present-day American, West European and Japanese state-monopoly capitalism is trying to use new capital export forms to slow down the irreversible processes which are destroying the imperialist structure of the world capitalist economy, brought about by the collapse of the colonial empires, to keep the developing countries subordinate to them. The chief form is represented by state capital exports, including long-term credit, loans and so forth. Preference is given to the developing countries with reactionary or "merely" pro-Western regimes. The countries that are nationalizing the property of monopolies in order to reinforce the state sector of their economy have become the object of covert and overt intervention by multinational corporations and the state-monopoly institutions supporting them. A vivid example of this can be found in the tragedy of the Chilean people. American imperialism's actions in this country, however, did not strengthen its position as an exporter of capital to Latin America. On the contrary, other states learned a lesson from the Chilean experience.

The most serious defeat suffered by the neocolonial policy of capital exports, which gives the West extensive opportunities to acquire cheap raw materials, resulted from the actions of the oil-exporting countries. Due to the rising price of oil in the developed capitalist countries which import it, only gigantic international monopolies with a diversified, multisectorial production base have been able to maintain their previous high profit level and even to increase total profits. Medium-sized and small firms, on the other hand, have not only experienced the negative consequences of the profit norm's tendency to fall, but have also gone bankrupt. Their "mortality rate" was particularly high during the crisis of the mid-1970's.

Saudi Arabia and some other OPEC countries, which earn gigantic profits from oil exports, have become major exporters of capital, extending long-term and short-term credit to the developed capitalist countries. Now that the feudal magnates of the Near and Middle East have well-filled wallets, they are major buyers in the real estate market of the industrial capitalist states, purchasing hotels, residential buildings and lots. They have also acquired a taste for playing the market and are buying up huge blocks of stock in large corporations and banks. There has been a unique symbiosis of the international monopolies with the elite of the reactionary regimes of a number of countries, which has grown rich as a result of the oil "price revolution." But only a few of the developing oil-exporting countries have used the price increase, which has guaranteed the growth of their state budgets, to establish a multisectorial economy and improve public well-being. On the other hand, the majority of developing countries must import their oil, and the price increase has therefore seriously harmed them and increased the deficit in their balance of payments.

In this way, the part of our planet where the colonial empires and semicolonial estates of the mother countries were once located is no longer serving the imperialist states as a sphere for the unimpeded and reliable application of "surplus" capital or as a shock-absorber for the tendency of the profit norm to decrease. The main obstacles here are the desire of the people in the developing countries to take charge of their own domain, the changing conditions of the functioning of foreign capital in these countries and the growth of the state sector of their economies, which is now a large investor of capital in their production and social infrastructure and in vitally necessary branches of heavy industry. Now international monopolies must share their profits with the state sector, even in countries taking the capitalist road, and this is in the interest of local bourgeois circles, which are striving to develop a diversified economy and a domestic market for their industry, as yet incapable of competing with the industrialized capitalist countries in the world market. The monopolies hope that industrialization programs will promote the use of their capital and the creation of joint enterprises with their participation.

The achievement of a "community of interests" on the basis of so-called "industrial neocolonialism," however, is being impeded by the dog-eat-dog laws of capitalist competition. The "aid" rendered by means of state and private monopolistic capital exports leads, on the one hand, to the financial enslavement of the developing countries which are taking the capitalist road of development and hope to overcome their backwardness and poverty without instituting the necessary profound social reforms in the interests of the peasantry and urban laboring public. On the other hand, Western government "aid" is intended to create a favorable climate for private investments on a commercial basis, and not to replace private capital or to aid in turning the developing countries into competition for the developed capitalist states. Under these conditions, the ratio of government "aid" to investments by private foreign capital has been changing constantly for two decades in favor of the latter. This is attested to by the following figures. According to OECD data, "aid" to the developing countries accounted for 60 percent of all the capital entering these countries in 1960, 50 percent in 1970 and 30 percent in 1978, while the proportion accounted for by private capital, exported at high interest rates and dividends, chiefly by multinational corporations, rose accordingly from 40 percent to 50 percent and then 70 percent.

The established system of international division of labor is keeping these countries at the mercy of the developmental tendencies in the world capitalist economy, with all of the ensuing negative consequences. This fact has even been acknowledged in many non-Marxist works, particularly the report of the Club of Rome compiled under the supervision of J. Tinbergen. It states that due to the dependence of the developing countries on the industrial capitalist states, the value of their imports is increasing more quickly than their physical volume, and the opposite tendency is apparent in their exports. The outflow of resources, in addition to the "price scissors" resulting from inflation, is being aggravated by the need to pay out increasing amounts in the form of interest and dividends on growing foreign investments and to repay loans. All of these payments by Asian, African and Latin American states, as estimated by the authors of the Club of Rome report, absorb approximately half of the aid they receive and a third of their export revenues; in other words, they amount to 50-100 billion dollars a year.[10]

Therefore, the developing countries have no real prospect of solving their fundamental socioeconomic problems within the framework of the capitalist world economy.

In today's world economy, imperialism is already losing its leading position and must seek new ways of overcoming contradictions arising from the overproduction of capital. Up to the middle of the 20th century, these contradictions were resolved by crises of overproduction and wars. Now these methods can no longer be used due to circumstances which do not depend on the will of capitalist magnates, who are incapable of dictating their piratical laws to all mankind now that it is seeking to establish social relations based on the principles of equality and humanitarianism.

FOOTNOTES

1. K. Marx and F. Engels, "Works," vol 25, pt I, p 281.

2. Ibid., p 288.

3. Ibid., p 281.

4. For more detail, see the article by G. N. Tsagolov, "State-Monopoly Capitalism: Some Current Issues," in issue No 12 for 1980.

5. R. Sivard, "World Military and Social Expenditures 1974, 1976, 1977," Leesburg (Virginia), 1978, p 3.

6. Ibid., p 5.

7. K. Marx and F. Engels, Op. cit., vol 46, pt II, pp 206-207.

8. U.S. NEWS AND WORLD REPORT, 9 June 1980, p 22.

9. According to the calculations of Yu. I. Yudanov, between 1960 and 1975 the volume of just the direct overseas investments of the developed capitalist countries rose from 58 billion dollars to 275 billion in comparable prices; in other words, they almost quintupled ("Sovremennyye mezhdunarodnyye monopolii" [Today's International Monopolies], Moscow, 1978, p 88).

10. J. Tinbergen (Coordinator), "Reshaping the International Order. A Report of the Club of Rome," N.Y., 1976, p 16.

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AMERICA'S ENGINEERING INDUSTRY. THE REPRODUCTION ANGLE

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[Article by M. L. Shukhgal'ter]

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UNITED STATES POLICY TOWARD ASEAN

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[Article by Ye. G. Mironenkov and A. B. Parkanskiy]

[Text] On the threshold of the 1980's the United States became much more active politically in its relations with the members of the Association of Southeast Asian Nations (ASEAN).[1] Intergovernmental contacts between the United States and these five countries have become more active, and there have been regular top-level talks; the last such dialogue took place in Manila in September 1980. What is the purpose of U.S. undertakings in relation to ASEAN? What are the actual processes that lie at the basis of Washington's chosen path of cooperation with this organization?

American Military and Political Interests in the Region

In the postwar period the basic policy of the United States in Southeast Asia has invariably been an attempt to weaken the struggle of the people of Indochina and other countries in the region for independence, secure a dominant position for the United States in this strategically important part of the world and guarantee U.S. monopolies an opportunity to exploit the region's extremely rich resources profitably. For many years, Washington tried to turn the countries of the region into a bridgehead for its military, political and economic expansion in the Pacific and Indian Ocean basins. Even now, U.S. strategic military interests constitute one of the major factors determining Washington's policy toward individual Southeast Asian states and toward the region as a whole.

In summer 1980, then U.S. Secretary of State E. Muskie set forth the six fundamental points of Washington's policy toward the association when he spoke with the foreign ministers of the ASEAN countries in Kuala Lumpur (Malaysia). Five of these points were intended to demonstrate military and political support for the ASEAN countries in the face of the notorious Soviet threat. Only the last point, the sixth, declared U.S. willingness to engage in economic, scientific and technical cooperation.

Striving to give its relations with ASEAN a primarily military-political content, Washington is giving special attention to the Philippines. By virtue of this country's strategically important geographic location, it has long been regarded by American monopolistic capital as the key to the Far East and Southeast Asia,

and this was the reason for the first imperialist colonial war in the Pacific Ocean in history, on the threshold of the 20th century, which ended with the seizure of the Philippines by the United States. It was not until our day that the country won its independence as a result of the Filipinos' liberation struggle. The United States has retained its military bases, however, which are important on the global, as well as the regional, level. They include Clark Field, the second-largest U.S. air force base outside the United States, and the Subic Bay naval base. Both occupy an important place in the system of U.S. military control over a significant portion of the Pacific and Indian Ocean basins. It was from these bases that U.S. armed forces were sent to the Persian Gulf zone for the Iranian blockade. Clark Field, with 9,500 American servicemen, is a base for C-130 and F-4 military aircraft and a space communications control center. Subic Bay, with 6,100 American soldiers and technical personnel, is the site of more than 60 percent of the repair work of the American 7th Fleet. The U.S. desire to retain its military presence in the Philippines at any cost was quite vividly demonstrated during the course of the U.S.-Philippine talks on military bases and the military agreement in 1976-1979.[2] When public demand in the Philippines for changes in the conditions of the American military presence in the country became more vehement, the United States agreed to recognize Manila's sovereignty over the American bases, but the situation has not actually undergone any fundamental changes.

Indonesia, the largest country in the region and one which hopes to become the prevailing influence here, is a constant object of U.S. concern. Washington would like to turn Indonesia into a U.S. stronghold in Southeast Asia so that it might guard American military-political interests on the routes between the Pacific and Indian Oceans, as the Indonesian archipelago includes several key strategic straits--Lombok, Sunda and Ombay.

In Malaysia as well, U.S. military-political interests are chiefly connected with the distinctive geographic position of this country, which, along with Indonesia, borders on the strategic Strait of Malacca.

The Pentagon is also trying to establish itself on England's former naval and air force bases in Singapore, which American military experts view as a reserve stronghold in Asia. In connection with the increasingly strong U.S. military presence in the Indian Ocean, Washington hopes to secure permanent moorage for its naval ships in Singapore. At present, the American aircraft carriers "Constellation" and "Enterprise" regularly enter Singapore's ports.

For the last quarter-century, Thailand has been assigned a prominent place in Washington's military-strategic plans in Southeast Asia. The territory of this country was used for U.S. aggression against the people of Vietnam, Laos and Kampuchea. At the beginning of the 1960's, U.S. air force bases were established in Thailand, and by 1969 there were 93 different military facilities and more than 48,000 American servicemen in this country. After the failure of the American intervention in Indochina, public pressure in Thailand forced the United States to withdraw its troops from this country in July 1976. At the end of the 1970's and, in particular, in the last months of 1980, however, the United States began to make a much more vigorous effort to restore its military ties with Thailand.[3]

In connection with the victory and growing influence of socialist Vietnam and the victory of the people of Kampuchea and Laos, Washington has searched more energetically for ways of protecting its political, economic and military interests in Southeast Asia. One important aspect of this search was increased interest in the ASEAN group. The members of ASEAN, who are united by similar social regimes, a capitalist outlook, an anticommunist domestic policy and a largely pro-Western foreign policy, could replace SEATO, according to Washington's plans, and make up an imperialist "united line of defense" along with Japan, Australia and New Zealand, as well as South Korea and Micronesia, which would be supported by American military power.

The Growth of U.S. Economic Interests

Economic interests play an important and rapidly growing role in Washington's policy toward ASEAN. "Our economic relations with the Asian and Pacific countries are the central aspect of our role in the region," R. Holbrooke said in the Senate Foreign Relations Committee in 1979, when he was U.S. assistant secretary of state for East Asian and Pacific Affairs. "The Association of Southeast Asian Nations is becoming a significant factor in world economics."[4]

In the last decade, the scales and aggressiveness of U.S. monopolistic capital's penetration of the countries of this group have surpassed the expansion of past decades and the present expansion of U.S. foreign economic ties in general. Between 1970 and 1979, U.S. trade turnover with the five countries increased 7.3-fold, while total U.S. foreign trade turnover increased only 4.7-fold. The increase in U.S. trade with the developing world as a whole was also less dramatic than the increase in trade with ASEAN countries. For America's Pacific states, the role of the association's members as sales markets and sources of raw material is even more significant: In 1979, for example, the five states accounted for approximately one-fifth of California's foreign trade.[5] According to data published in Singapore, U.S. trade with the countries of the association was 43 percent greater in the first half of 1980 than in the first half of 1979.

The crude resources of the ASEAN states and the mineral wealth of their coastal zones are of particular significance to the United States and its allies. By the beginning of the 1980's, the countries of this region accounted for 87 percent of world exports of natural rubber, 56 percent of world exports of palm oil, 70 percent of the tin, 70 percent of the copra and a significant share of other important commodities in world trade: 57 percent of the pepper, 14 percent of the rice and bananas, 11 percent of the sugar, 8 percent of the wood, 6 percent of the coffee and 2 percent of the petroleum and copper. The ASEAN countries account for 90 percent of the rubber imported by the United States, 72 percent of the tin, 14 percent of the sugar, 17 percent of the tea and a significant share of the imported crude oil, copper, nickel, tungsten and a number of other raw materials.[6]

At the same time, the domestic market in the region is being expanded intensively in connection with the desire of the ASEAN members to consolidate their political and economic independence. They have carried out large-scale programs of economic development in recent years, their urban population is growing, large industrial and agroindustrial complexes are being established, natural resources are being exploited more actively, an industrial and agricultural infrastructure is being

constructed and large international sea ports and airports are being erected. All of this explains the extremely sizeable demand for machines, equipment, consumer goods and other industrial commodities. The unresolved food problem in several ASEAN countries has necessitated sizeable food imports.

Therefore, the economic development of the ASEAN countries has been closely related to their accelerated involvement in the process of international division of labor. The growth rate of their foreign trade has surpassed their rate of overall economic development. To a considerable and increasing degree, their economies depend on foreign economic factors.

The rapid expansion of U.S. trade with the ASEAN countries has been closely connected with the export of private, primarily direct, capital investments, which have also grown rapidly. Between 1970 and 1978 the volume of direct private U.S. investments in the five countries almost tripled, reaching 4.5 billion dollars, while total direct capital investments by American corporations abroad barely doubled. As a result, the share of the ASEAN countries in total direct investments by U.S. corporations in the Asian and Pacific region was almost 20 percent by the beginning of 1979.[7] More than a third of this capital was invested in Indonesia, around a fourth was invested in Singapore, and around a fifth was invested in the Philippines.

The main area for the investment of American capital has been the extraction and refinement of crude mineral resources and fuel. American capital controls the oil refining industry in Singapore, the third-largest refining center in the capitalist world. American monopolies control most of the oil production in Indonesia, where just one of them, Caltex, controls up to two-thirds of this production. American capital also controls the oil supply of the ASEAN countries. The mining industry in the Philippines is also in the hands of U.S. capital. In the 1970's U.S. oil monopolies launched vigorous off-shore oil prospecting operations in the coastal waters of the ASEAN countries, and their capital investments in the extraction, refining and sale of the five countries' natural resources have been growing constantly.

At the same time, a characteristic feature of American exports of direct capital investments to the ASEAN countries is their increasing flow into the processing industry, particularly in electrical engineering and chemicals, as well as individual branches of the service sphere, such as banking. American corporations have established and are vigorously expanding a network of assembly plants in Singapore, Malaysia and the Philippines. This phenomenon stems from the policy of American monopolies to move the production of new items overseas for the purpose of reducing overhead costs[8] and situating enterprises with no competitive potential (for example, clothing enterprises) and ecologically "dirty" enterprises outside the United States.

An analysis of U.S. economic ties with the ASEAN countries in the last decade indicates the existence of a steady, long-range tendency toward the mounting significance of these countries in U.S. foreign economic relations and economic relations in general.

The Deterioration of U.S. Positions in the Region

The aggressive military-strategic aims and growing economic interests of the United States are obviously inconsistent with its positions in the region, which had deteriorated considerably by the beginning of the 1980's.

The military defeat suffered by the United States in Vietnam and its forced departure from the continent reduced U.S. military presence considerably in this region, where hundreds of thousands of American soldiers were located just recently. The collapse of SEATO and the difficulties encountered by Washington in its attempts to give ASEAN the characteristics of a military-political organization also limited U.S. military influence in the region. Besides this, certain processes occurring here are obviously undermining U.S. economic interests. In particular, socioeconomic problems are becoming increasingly acute in the countries taking the capitalist road of development. The employment problem is being aggravated by the fact that the majority of ASEAN countries constitute a zone of absolute poverty. According to Switzerland's NEUE ZURCHER ZEITUNG, the economic prospects of the association members are gloomy: They can expect "lower economic growth rates and higher rates of inflation, combined in some locations with growing unemployment and threats to internal political stability."[9] The increasingly tense socioeconomic atmosphere in the ASEAN countries has caused American bourgeois forecasters to worry about the future of capitalism in the region and about the considerable difficulties the ASEAN states will encounter in the next few years in the resolution of domestic political problems.[10]

The anti-imperialist stand taken by the ASEAN countries in the developing countries' struggle for the reorganization of international economic relations on a fair and democratic basis has been interpreted by Washington as a threat to the interests of the monopolistic capital of the United States and its allies. Along with the other states of the "Group of 77," for example, the ASEAN countries actively supported this kind of reorganization at the special session of the UN General Assembly on economic issues in August-September 1980. The measures taken in the ASEAN countries to limit the power of transnational corporations have been particularly painful for U.S. monopolistic capital.

Imperialist rivals have been competing vigorously with U.S. monopolistic capital for its positions in the region. For example, the U.S. and Japanese shares of total foreign capital investments in Malaysia and Indonesia were 22 percent and 10.5 percent, and 40 percent and 11 percent, respectively, at the end of the 1960's, but the figures were 13 percent and 19.5 percent, and 20.5 percent and 41 percent in the second half of the 1970's. Other rivals are also intensifying their expansion in the region. West German investments in the Philippines more than quintupled in just the 1976-1979 period. West German monopolies are energetically establishing branches in the region. Five out of every six of the overseas assembly plants of Daimler-Benz, for example, are located in ASEAN states.[11]

In ASEAN foreign trade as well, U.S. positions have either grown weaker or, at best, have remained on the level of the early 1970's. The U.S. share of Indonesian imports of finished commodities, for example, decreased from 17 percent in 1973 to under 11 percent in 1978, with a corresponding decrease from 21.8 percent to 20.4 percent in Singapore's imports.[12] The United States is particularly disturbed by this process because it has had a negative balance of trade with ASEAN for some time now.

The American business community is also seriously disturbed by the increasing exports of some consumer goods from ASEAN countries to the United States. When the United States actively sold its products in the markets of the ASEAN countries and pumped their natural resources out of them, it was simultaneously guarding its market with high trade barriers to keep many industrial commodities and semi-manufactured items from these countries out of the United States on the grounds that the low wages of Asian workers led to unfair competition. Washington's discriminatory measures, which seriously restricted the interests of the five ASEAN states, could not, however, completely isolate them from the American market due to certain economic and political factors. People in Washington are particularly disturbed by the fact that the relatively rapid economic development of the five states is turning them into serious competition in regional and world markets for certain commodities (household electronics, textiles and others).

At the same time, these countries are becoming extremely large consumers of crude energy resources, which is extremely important to the economies of the United States and its imperialist allies. This applies primarily to petroleum. According to a forecast by G. Pauker, the RAND Corporation's leading expert, the petroleum requirements of the ASEAN countries will be almost 16 times as great by the end of the century as they were at the end of the 1970's.[13] As a result, the United States is facing the prospect of reduced imports of oil from the countries of this region, especially Indonesia. Besides this, these countries are expected to import more oil from the Middle East and other regions, and this will result in even tougher competition in petroleum markets. The deterioration of U.S. positions is depriving American monopolies of the chance to control all of these processes.

Policy Based on the 'Divide and Conquer' Principle

In connection with the deterioration of its military-political and economic positions in Southeast Asia, the United States is striving, above all, to prevent a further increase in socialism's influence in this important part of the world. Its policy is aimed at stirring up military and political confrontations here and at turning ASEAN into a weapon for the "containment" of the socialist states in Indochina. For this purpose, it is using the myth of the "Soviet threat," as well as the so-called "Kampuchean question," which was invented by bourgeois and Chinese propaganda.

At the previously mentioned talks by E. Muskie with the ASEAN foreign ministers in summer 1980, nothing was said about the peaceful initiatives set forth by Vietnam, Kampuchea and Laos regarding the normalization of relations in the region and, conversely, much of the time was spent in discussing the "Kampuchean question," which served as the basis for the coordination of U.S. and ASEAN military plans aimed against socialist Vietnam and Kampuchea. Following this, at the same time as Beijing's shows of military strength on Vietnam's northern borders, Thailand engaged in armed provocations on its border with Kampuchea and the United States hastened to send emergency arms shipments to Thailand.

For reasons of its own, the United States is essentially encouraging China's expansionist policy, viewing it as "one of the props of American presence"[14] in the region. This was also reflected in Washington's support of the international political ambitions of Pol Pot, the Chinese puppet, and in its actual encouragement

of China's aggressive actions against the SRV in February and March 1979. The United States did not censure Beijing for its seizure of the Paracel Islands belonging to Vietnam, China's claims to the Spratley Islands and other islands in the South China Sea, and so forth.

Washington regards the reinforcement of military ties with the states in this region as one of the most effective ways of safeguarding its interests. In reference to the mounting U.S. military activity in the ASEAN countries in recent years, the FAR EASTERN ECONOMIC REVIEW remarked that Washington "has increased credits for military purchases for Malaysia and Indonesia...concluded a new 5-year agreement with the Philippines on the deployment of huge military bases there,... accelerated shipments of military equipment, including tanks and aircraft to Thailand and agreed to increase military aid to Bangkok."[15]

The United States, which is quite intractable when it comes to assistance in the resolution of socioeconomic problems in the ASEAN countries, willingly agreed to offer military aid in fiscal year 1980 in the amount of 35 million dollars to Indonesia, 7 million to Malaysia, 50 million to the Philippines and 25 million to Thailand.[16] American military aid to the ASEAN countries in the 1976-1980 period was 2.5 times as great as during the first half of the 1970's, rising from 327 million dollars to 820 million.[17]

The United States attaches particular significance to arms shipments, as well as the training of servicemen from the ASEAN countries in the United States. From 1977 through 1980 the United States sold the ASEAN countries almost 2.5 billion dollars' worth of weapons, or more than twice as much as in the preceding 7 years.[18]

Singaporean military subunits, for example, are now fully equipped with American small arms, tanks and armored personnel carriers. The United States has recently supplied Thailand with 80 tanks, 46 armored carriers, 3 C-130 transport planes, Tow and Dragon antitank missiles and other equipment. Projected purchases include a squadron of F-5E jet fighters, 24 Vulcan self-propelled antiaircraft gun mounts, 14 Bell helicopters and 3 reconnaissance planes. Malaysia plans to buy 80 U.S. Skyhawk fighters, which will triple the planes of the Malaysian Air Force; orders have already been placed for F-5B and F-5E fighter jets and V-150 armored carriers. The United States plans to provide Indonesia with a minimum of 16 F-5E fighters in the near future; this country has already ordered two squadrons of Skyhawk fighter planes.[19]

An important military aspect of U.S. policy in relations with ASEAN is its attempts to encourage broader military cooperation by ASEAN countries with the developed capitalist states in the region on a multilateral basis. In recent years, naval exercises have been conducted more frequently with the participation of the naval ships of these countries (Indonesia--Australia, the United States--Thailand, Thailand--Australia--United States, and so forth). There have been reciprocal visits and trips. Many military experts from the ASEAN countries have been sent to military academic institutions in the imperialist states for training or work assignments.

One important step in this direction was the restoration of the pentilateral agreement on the "strategic interests" of Australia, New Zealand, England, Malaysia and

Singapore at the end of 1980. This agreement was first concluded at the beginning of the 1960's and was virtually forgotten. At a conference in Canberra at the end of last year, military representatives from the five countries agreed to conduct joint military maneuvers in the middle of 1981. Future plans call for broader regional military cooperation in the form of war games on Australian territory, the creation of a collective system of air defense and other forms of militaristic activity. As the Canberra weekly BULLETIN reported at the beginning of December 1980, the initiators of the restoration of this agreement hope that it will "extend, through Malaysia and Singapore, military integration to the rest of the ASEAN members."

By expanding military ties with the ASEAN countries, American strategists hope to influence the political leadership and top army circles in these countries for the purpose of accelerating and deepening their military cooperation. Washington's allies in this undertaking are rightwing circles in these countries, especially the conservative segment of the army leadership, which is sometimes backed up by American financial assistance. These circles are advocating a system of military cooperation within ASEAN, hoping that the group will appear to turn into a military alliance spontaneously. This is attested to in particular by the recent, increasingly frequent appeals by certain influential individuals in some ASEAN countries for a military-political structure for the association. In June 1980, for example, it became known that H. Habib, the Indonesian ambassador in Thailand, had announced that ASEAN could eventually transfer the focus of its activity from economic cooperation to questions of defense.[20] The growing influence of militaristic circles is attested to by the unprecedented increase in the military expenditures of the ASEAN countries: In 1980 these expenditures reached 5.5 billion dollars, or 45 percent more than the year before and twice the 1975 figure. Several observers have drawn a direct connection between the buildup of military strength and the plans for the military integration of the five ASEAN states, "adding strength to the new predictions that the association might officially become a military alliance."[21]

The bilateral (and, less frequently, trilateral) military ties between the ASEAN states, which have taken on considerable dimensions, are supposed to, according to the plans of U.S.-supported militaristic circles in these states, lay a foundation for comprehensive military-strategic cooperation between them. For this purpose, bilateral and trilateral naval maneuvers and air force exercises are regularly conducted by ASEAN members. In summer 1980, joint Malaysian-Thai maneuvers were conducted for the purpose of "planning the resistance of armed forces attacking Thailand from the north."[22] The same summer, joint exercises were conducted by the Singaporean and Indonesian air forces and the Malaysian and Thai navies. Several seminars and symposiums have been held in the five states to discuss experience in "counterrebellion," study military doctrines and so forth. Some of them have been attended by American and South Korean representatives. The assignment of officers to serve in the armies of partner countries is being practiced. Intelligence exchange is being conducted widely. According to reports in the press, the relay capacities of Indonesian satellites, put in orbit with U.S. assistance, could be used for this purpose.

The standardization of weapons is evidently becoming a new field of interaction by the ASEAN countries in the military sphere. This was initiated at the end of 1976

by Indonesia. Military circles in this country, with the largest army in the group, argue that the standardization of weapons and combat equipment is necessary because it will "simplify the rendering of assistance to one another" and will produce an economic savings. Plans are being made to organize the manufacture of small arms and heavy mortar in Indonesia (with Western licenses) and the ammunition for them in Malaysia. In August 1977, Thailand and Singapore signed an agreement on cooperation in arms production. In reference to the developing military ties between individual members of the association, Professor R. Fifield from the University of Michigan (Ann Arbor) has said that "ASEAN is indirectly promoting the development of military ties and, in some respects, its partners are becoming allies de facto."[24]

Even if this assessment of ASEAN activity in the military sphere is more of a wish than a statement of fact, it quite clearly reflects the hopes of certain circles in the United States.

The collapse of these hopes will depend on forces supporting the realistic tendency in ASEAN politics, opposing the attempts to push the association toward military and political confrontation with the socialist countries of Indochina. The existence of this tendency is attested to, for example, by statements made by representatives of political circles and the public in the ASEAN countries at the end of 1980, counseling the curtailment of support for Pol Pot.

A More Active Policy of Regionalism

In an attempt to bind the ASEAN countries to its military-political strategy in this part of the world, the United States is trying to use the developing economic, scientific and technical cooperation of these countries in its own interest. This is the purpose of the more active American policy of regionalism in Southeast Asia, reflected in the heightened interest in ASEAN as a regional group.

The "Johnson Doctrine" already contained a promise to support "those who form regional organizations in Asia." The same statement was made in R. Nixon's "Guam Doctrine" and G. Ford's "Pacific Doctrine." Washington officially approved of the formation of ASEAN. At the same time, the United States consistently inhibited any truly effective economic integration by the five countries, reluctant to strengthen a group with an objectively anti-imperialist outlook. Washington did not wish to promote the consolidation of ASEAN's international positions and, therefore, it initially avoided official contacts with the association as a regional group and conducted its relations with the ASEAN countries on a bilateral basis. This was also more in keeping with U.S. tactical interests, which have traditionally favored the policy of "twisting the arm" of each country individually.

The deteriorating of American positions in the region and the definite increase in ASEAN's influence, however, have necessitated a change in the U.S. approach to the association, at least on the surface. Besides this, American monopolistic capital has begun to display unconcealed anxiety over the prospects for its expansion in the ASEAN countries and has made increasingly loud demands that Washington conduct a more active policy in the region, taking the actual state of affairs into account and safeguarding the growing interests of American monopolies. In 1977 the association and Washington agreed to hold their first "dialogue," on the level of

official delegations, on economic matters. It was held in Manila in September of the same year. In August 1978 the second such "dialogue" took place in Washington. The delegation from the ASEAN countries demanded the reorganization of the group's unequal economic relations with the United States and informed Washington of the need for effective assistance in the promotion of their exports (particularly through guaranteed access to the American market for their goods on a preferential basis), in protection from trade restrictions and in compensation for reduced revenues from the export of foodstuffs and raw materials.

Neither of these meetings nor any of the other contacts between ASEAN and the United States lived up to the expectations of the association's members. The American side used various excuses to avoid any specific commitments. As the press in the ASEAN countries reported after the talks with the U.S. secretary of state in summer 1980, the members of the association "received the promise of military assistance and tanks instead of the technology and chemical fertilizers they need."

The results of the recent third "dialogue" between the association and the United States in Manila did not meet ASEAN expectations either. The American side again avoided specific commitments in the economic sphere, particularly in regard to assistance in regional industrial projects. The actual results consisted only of Washington's promise to consider the allocation of approximately 100 million dollars to finance small and medium-sized private firms in the ASEAN countries, and its suggestion that a joint coordinating committee be formed for consultations on economic problems.

An analysis of Washington's contacts with ASEAN in recent years indicates that the American side has consistently endeavored to safeguard its own economic interests. For the purpose of broader expansion by American capital, more vigorous activity is envisaged in the region by the U.S. Export-Import Bank and the Overseas Private Investment Corporation, and a council is to be set up for the development of commercial relations between the ASEAN countries and the United States.

The constantly publicized plans to create a so-called "Pacific community" fit in with the long-range goals of the United States and its imperialist allies. These plans call for the creation of a regional bloc, uniting all of the countries and territories in the non-socialist zone of Asia and the Pacific.[24]

The plans of Washington and its partners are aimed at using the internationalization of economic life in the region in their own interest.

The ASEAN countries have responded with suspicion to the idea of the "Pacific community," however, because they are quite justifiably afraid of losing their independence in this kind of group, which will solidify, and even intensify, the present unequal relations of the five ASEAN states with the United States and its imperialist allies.

On the threshold of the 1980's, within the framework of the general tendency toward a tougher U.S. foreign policy, Washington became more aggressive in its attempts to prevent the further reduction of the non-socialist zone in Southeast Asia and

to protect and safeguard the interests of American monopolies here. In connection with this, ASEAN has become more important to the United States and is now being viewed as one of the structural elements of the U.S. military-strategic system and the economic complexes of American transnational corporations in Asia and the Pacific.

Pursuing its own goals, the United States is promoting the destabilization of the situation in Indochina and in all of Southeast Asia. It is acting in concert with the Beijing hegemonists, who, after committing their aggressive actions against the Socialist Republic of Vietnam, have continued their shows of military strength on the Vietnamese-Chinese border and have organized provocative acts against the Lao People's Democratic Republic and the People's Republic of Kampuchea.

The same goals are being served by the intensification of U.S. military-political cooperation with Japan, which has recently been urged to increase its military expenditures and build up its armed forces.

The Soviet Union, USSR Minister of Foreign Affairs A. A. Gromyko, member of the CPSU Central Committee Politburo, said when SRV Minister of Foreign Affairs Nguyen Co Thach visited the USSR, has invariably and consistently favored "the establishment of lasting peace and security in Asia through the combined efforts of the Asian states themselves."[25] The Soviet Union applauds the Asian initiatives that are dictated by a desire for peace, including the proposals to turn the Indian Ocean and Southeast Asia into zones of peace, and fully support the constructive proposals of Vietnam, Laos and Kampuchea, which represent an excellent basis for the normalization of relations between the Indochinese countries and the ASEAN states, as well as for a healthier atmosphere in this part of the world as a whole.

FOOTNOTES

1. The Association of Southeast Asian Nations is a regional organization, founded in 1967, which united five countries: Indonesia, Malaysia, Singapore, Thailand and the Philippines. The official goals of ASEAN are the development of economic, social and cultural cooperation by members and the promotion of "peace and stability" in Southeast Asia. The governing bodies are the Session of Foreign Ministers and, between sessions, the Standing Committee. The working bodies are the committees on trade, industry, tourism and so forth.

2. See A. V. Krutskikh, "The Results of American-Philippine Talks," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 4, 1979--Editor's note.

3. DEPARTMENT OF STATE BULLETIN, April 1979, p 19; FAR EASTERN ECONOMIC REVIEW, 24 October 1980.

4. DEPARTMENT OF STATE BULLETIN, April 1979, p 22.

5. CALIFORNIA'S INTERNATIONAL TRADE, Los Angeles, October 1979, pp 4-7.

6. COMMERCE AMERICA, 17 July 1978, p 4.

7. Calculated according to: SURVEY OF CURRENT BUSINESS, August 1980, p 26.

8. The average hourly wage in household electronics assembly plants in Southeast Asian countries, for example, is barely 10 percent of the U.S. wage.

9. DIE NEUE ZURCHER ZEITUNG, 20 May 1980.

10. See G. Pauker et al, "Diversity and Development in Southeast Asia. The Coming Decade," N.Y., 1977, pp 3, 15, 30-37; ASIAN SURVEY, February 1980, pp 112-167.

11. FAR EASTERN ECONOMIC REVIEW, 4 July 1980, pp 53, 71.

12. OVERSEAS BUSINESS REPORTS, July 1980, p 32.

13. ASIAN SURVEY, June 1979, p 635.

14. "SShA i problemy Tikhogo okeana" [The United States and Pacific Affairs], Moscow, 1979, p 187.

15. FAR EASTERN ECONOMIC REVIEW, 29 February 1980, p 12.

16. DEPARTMENT OF STATE BULLETIN, April 1979, p 18.

17. FAR EASTERN ECONOMIC REVIEW, 24 October 1980, pp 32-34.

18. Ibid.

19. Ibid.

20. Ibid., 27 June 1980, p 11.

21. Ibid., 24 October 1980, p 32.

22. THE TIMES, 5 July 1980.

23. ASIAN SURVEY, December 1979, p 1206.

24. See "An Asian-Pacific Regional Economic Organization: An Exploratory Concept Paper," Prepared for the Committee on Foreign Relations, U.S. Senate, Wash., 1979, pp V-VI, 21-23; "Economic Interaction in the Pacific Basin," Wash., 1980, pp 259-262.

25. PRAVDA, 9 September 1980.

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SOME ASPECTS OF THE NATIONAL CRISIS IN CANADA

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[Article by A. M. Yusupovskiy]

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EVOLUTION OF THE BLACK MUSLIM MOVEMENT

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 47-58

[Article by O. V. Filanovskaya and D. Ye. Furman]

[Not translated by JPRS]

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WHAT IS WORRYING AMERICA'S WEST EUROPEAN ALLIES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 59-65

[Article by Yu. P. Davydov]

[Text] Two weeks after the presidential election, FRG Chancellor H. Schmidt arrived in Washington. Although his official talks were with departing President J. Carter, his meeting with President-Elect R. Reagan was probably a more important aspect of his trip across the ocean. Schmidt's visit was not an ordinary one: He was not only representing the FRG in Washington but was also expressing certain of the interests of ruling circles in several other West European countries (just before the visit he spoke with French President Giscard d'Estaing in Paris and British Prime Minister Margaret Thatcher in Bonn).

What was the reason for this haste? During periods of a change of administrations in Washington, people in the West European capitals have usually preferred to wait and watch for indications of the basic direction of the new administration's international activity, the goals of its foreign policy and the methods and means it will use to attain them.

In this case, the FRG chancellor's insistence on meeting not only with J. Carter, but also with R. Reagan, prior to the latter's inauguration (and, what is more, in the knowledge that Reagan had declined to receive Israeli Prime Minister M. Begin), attests to the determination of West European leaders to give up the temporizing tactic. What were the reasons for this?

First of all, judging by reports from West European capitals, people there were quite upset during the campaign by Ronald Reagan's extremely noncommittal and evasive responses to questions about future U.S. relations with the NATO allies. Many West European politicians were inclined to interpret this stand as a signal that the new administration intended to make serious changes in these relations. Could the motive be the desire to undermine the increasing influence of the West European countries in the entire system of current international relations? Did the American administration intend to take a "tougher stand" in relations with the United States' allies as well as its opponents (Washington had already accused the allies more than once of "going astray")? Would the new administration try to push them back into the role of obedient junior partners? How might all of this affect the specific interests of the countries in Western Europe? Questions of this kind were justifiably raised in the West European capitals. People there

were concerned, for example, with the idea of the so-called "new continentalism,"[1] which was being developed by R. Reagan and his closest advisers. The new theory's proponents attach more significance to the mounting conflicts between the United States, Western Europe and Japan and take a skeptical view of many of the tenets of the Trilateral Commission, on which the Carter Administration relied (primarily the idea that Washington's diminished international potential could be restored by means of broader and deeper interaction by the three "power centers" in the capitalist world). They feel that the best method of restoring the political, economic and military strength of the United States consists in the more intensive exploitation of the resources of the Western Hemisphere.

The possibility of a change in U.S. foreign policy priorities worries the West European ruling circles that have always tried to make use of Washington's interest in concerted action with them in the international arena for the augmentation of their own maneuverability. Chancellor Schmidt, who obviously went to Washington as a representative of the FRG and of other major West European countries, was apparently supposed to remind the new President of their "existence" and of their significance to the United States and try to circumvent any attempted disparagement of Western Europe's role. His vice-chancellor, Minister of Foreign Affairs H. D. Genscher, stressed the following in a special government statement issued prior to the visit: "When one administration is succeeded by another, it is important that the bases of interrelations be understood on both sides of the Atlantic."

Only time will tell how successful this aspect of H. Schmidt's mission was. The important thing is that West European leaders no longer want to wait for an invitation from Washington. They believe that each side is entitled to make the first move.

Although R. Reagan said little about U.S. relations [illegible] hief partners, he did make fairly frequent and quite definite references to in rnational issues in general. And whereas his "insufficient concern" for the Atlantic partners disturbed West European leaders, the new President's view of the external world and his assessment of current events have aroused even more serious worries. "Governments throughout the world," England's OBSERVER newspaper reported on 28 December 1980, "are restlessly waiting to learn whether the new U.S. President will conduct the policy he set forth during the campaign."

What was it about the approach of the new President and his advisers to the external world that so obviously disturbed the West European allies?

The main factor was apparently the indication of the new administration's tougher stand on matters of detente in East-West politics. Many of the West European allies are disturbed by the fact that the new President has several advisers who favor a tougher, more forceful line in relations with the USSR and other countries of the socialist community, and that, judging by all indications, even more influence has been acquired by circles that are already urging the new administration to confront the Soviet Union in a ostentatious "test of strength," during the course of which they hope to inhibit the growth of the USSR's international prestige and strengthen

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1. See A. A. Kokoshin, "The 'New Continentalism' as a Version of U.S. Foreign Policy Doctrine for the Eighties," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 10, 1980--Editor's note.

American influence in world events. In connection with this, political observers in Western Europe have directed attention to the intelligent and consistent Soviet position, set forth by L. I. Brezhnev, the highest executive in the USSR, that "any constructive steps by the U.S. administration in Soviet-American relations and in urgent world issues will evoke a positive reaction" from the Soviet Union.

Leading West European politicians realize that all attempts to exert pressure on the USSR will fail. They will not augment the West's potential in the international arena, but they will have the opposite effect. Such attempts, for example, could further undermine detente. In the main, West European ruling circles do not want this to happen. They have learned from experience that it is precisely detente, and not tension, that promotes the truly vital interests of the West European countries in the international arena. They do not intend to give up the tangible material benefits they have gained from cooperation with the countries of the socialist community. This has even been acknowledged by many people in American political circles. After H. Schmidt's visit to Washington, the NEW YORK TIMES reported: "Detente in Western Europe is firmly rooted in the interest of Western European countries in maintaining it. The economic, social, political and military stakes of the Europeans are too high in this game.... They want to maintain the best possible relationship between East and West and are trying to avoid anything that might undermine this relationship. They have taken on some of the responsibility of preventing a return to the cold war era and, despite the appeals for a more firm and consistent American policy, most of them expect Washington to do the same."

The differences in the two capitalist centers' approaches to detente have been apparent for some time and are due less to subjective factors than to objective ones--the diverging interests of monopolistic groups on both sides of the Atlantic, which are the prevailing influence in government policymaking.

Experience has proved, however, that it would be wrong to ignore the role of subjective factors: The character and level of the foreign policy outlook of the particular members of the U.S. ruling class who are in power at the present time will have a definite effect on the nation's international policy line. When the West European leaders analyze the views of the new President's closest advisers, which have already been made public, they will realize that the disagreements between the United States and Western Europe over questions of detente could become more intense.

The same conclusion is now being drawn by some of Reagan's supporters as well. In his report on the situation in NATO, the news of which leaked to the press, Republican Senate Majority Leader H. Baker notes the "considerable difference between the interpretation of detente in Europe and the view of more discerning observers in the United States." He finally had to admit the "fundamental disagreement of assessments of the nature of political and military policies necessary for the establishment and maintenance of stable East-West relations."

The Western Europeans are just as seriously disturbed by the evident intentions of influential circles in the ruling Republican Party's upper echelon to follow, so to speak, in the footsteps of the departing Democratic administration by continuing the efforts to achieve military superiority for the United States and NATO in relation to the USSR and the Warsaw Pact countries. Western Europe is well aware that

the only "effective" result of this policy will be the escalation of the arms race, which is already creating serious difficulties in the Western economy, not to mention such consequences as the increased threat of total nuclear war. In an interview granted prior to his departure for the United States, Schmidt felt the need to stress that Bonn "has favored, and will continue to favor, a balance of power" between East and West.

As for the economic aspects of the arms race, the Western Europeans certainly know--from past experience--that if Washington continues to increase military spending (now, possibly by 7-9 percent a year, as Reagan stated in his campaign speeches), the United States will demand the same from its NATO partners, with increasing vehemence, in accordance with the concept of "sharing the burden." The West European countries are already groaning from their "share of the burden." For example, England and the FRG, as the INTERNATIONAL HERALD TRIBUNE remarked on 19 November, "have encountered economic difficulties which are keeping them from increasing defense spending in real terms by even the 3 percent they promised Carter." Other NATO countries, Denmark, Belgium and Holland, have been quite openly sabotaging the decision of the May (1978) NATO session on the annual increase in their military budgets. It is quite understandable that the militant appeals from abroad are arousing poorly concealed irritation in West European power echelons. They are certainly aware that a new round in the arms race will lead to the further growth of inflation, unemployment and economic instability and will also strengthen the influence of opposition forces.

But this is not all. The idea of disarmament, including nuclear, has recently gained increasing popularity in Europe. Although these views are essentially prevalent among opposition forces, and not in ruling parties, they reflect an obvious change in public opinion in a direction contrary to Washington's pressure. It is quite understandable that the West European governments cannot completely ignore such changes in public opinion in their countries. In this atmosphere, the doctrine of "limited nuclear war" and the appeals from abroad for the buildup of nuclear potential and the production of neutron weapons are more and more openly regarded as unacceptable in Western Europe. The present disagreements in NATO over nuclear strategy dramatically reflect Western Europe's realization that the nuclear arms race is nothing other than an instrument that American politicians are utilizing to exert pressure on the USSR and to keep their allies in check.

Analyzing the growing disagreements between the United States and its West European allies over questions connected with the "Eurostrategic weapon," R. Steele, prominent American expert on international affairs, wrote the following in the 6 December 1980 issue of the weekly NEW REPUBLIC: "They agreed to the deployment of the so-called nuclear weapon of the 'theater of military operations' on their territory in the belief that this would lay a foundation for full-scale arms limitation talks.... The Europeans do not want their continent to turn into any kind of battlefield, not to mention a theater of military operations involving nuclear weapons. They lay special stress on deterrence, negotiation, economic strength and arms control. American strategists, on the other hand, are wondering how they might fight a nuclear war and, if possible, win it."

Many West European politicians are publicly questioning the accuracy of the decision of the December (1979) NATO Council session on the "Eurostrategic weapon." West

Germany's FRANKFURTER RUNDSCHAU printed an interview with SPD Bundestag Deputy K. Voigt on 3 January 1981 and commented: "In the opinion of this deputy, the NATO countries should reconsider their 1979 decisions on the production and deployment of new American medium-range missiles in Western Europe. This must be done in view of the new situation, namely the fact that the Soviet-American SALT II Treaty has not been ratified as yet." The deputy recalls Washington's argument that the decision to deploy the "Euromissiles" was necessary as a means of "pushing for" the ratification of the SALT II Treaty. Now, however, although Washington has declined to ratify the treaty, it is nonetheless insisting on the observance of the "preliminary condition" for its ratification--the deployment of the new nuclear missile within the West European countries. In other words, it has openly broken its promise.

West European leaders are also alarmed by the differing views of some experts among the new President's closest advisers on the need to make future agreements on arms limitation conditional upon Soviet policy in certain parts of the world or on certain issues outside the sphere of negotiations, on the need for a "more firm approach" and the determination to use force in international crisis situations and on the U.S. tendency to be "too soft" in dealings with the NATO allies.

People in the West European capitals are also afraid that the actions of the new administration might further complicate the situation in the Middle East and the Persian Gulf zone. "Reagan regards Israel primarily as an important ally of the United States in the rivalry between East and West, and the PLO as nothing more than an anti-Western terrorist organization," the WASHINGTON POST remarked on 3 November. According to the majority of West European leaders who advocate more flexibility and compromise in the settlement of the Middle East crisis, this position cannot promote the establishment of lasting peace, which could guarantee a constant supply of oil from the Middle East, and is most likely to destabilize the situation there even more. The primary duty of Western diplomacy, as it is interpreted in the West European capitals, is to "encourage" dialogue and reconciliation between Israel and the Arabs, including the PLO, which could take charge of radical forces in the region and eventually pacify them. The West European leaders reaffirmed this position at a meeting of the Council of Europe on 2 December 1980.

Although there was a certain degree of cooperation between the United States and some NATO allies in the Persian Gulf zone under the previous administration, taking the form of the inclusion of French and English naval ships in the American squadron, many West European leaders are afraid that the new administration might try to use this military presence in the Persian Gulf for more active intervention in the affairs of this region if it is pressured by the Right, which is inclined to view all international issues from the standpoint of fierce confrontation with the Soviet Union.

There are also other problems--regional, economic, financial and ecological--and America's allies are afraid that the new administration will try to solve them at their expense. "The friction between Europe and America in recent years should become more pronounced on the whole," said former French Minister P. Granet. This was also discussed by Lord Carrington, English foreign secretary, in an INTERNATIONAL HERALD TRIBUNE interview on 21 November 1980. Judging by all

indications, the West European leaders are not at all certain that Washington will attempt to overcome this friction with consideration for its allies' interests.

We can assume that Chancellor Schmidt tried to bring the fears of the West European leaders to the attention of the new American President during his visit. Did he seem reassured upon his return? Statements by H. Schmidt and by G. D. Genscher indicate only that Reagan tried to reassure his guest. But even if the new U.S. President convinced the Bonn leaders of his intention to hear what his Atlantic allies had to say, he did not reassure the West European public. In any case, the mass media on this side of the ocean (and, at times, on that side as well) are still saying less about the favorable prospects facing Western Europe in connection with the change of administrations in the White House than about the possible dangers of this change. Of course, we must not forget that there is a spectrum within the general West European approach to the United States, and that there are forces in the region, and influential ones at that, who would be impressed by a tough Washington policy in relations with the socialist community and the developing states (the inclusion of a point on the situation in Poland in the communique of the last NATO Council session, which represents intervention in Poland's internal affairs, testifies that they are sometimes able to impose their views on others). But in Western Europe, where the benefits of detente are sufficiently tangible, it is becoming increasingly difficult for these forces to convert their influence into official policy.

Perhaps the most important reason for the heightened activity of West European ruling circles in connection with the change of administrations in Washington was the belief that until the Reagan Administration's foreign policy line solidified, as long as the process of policymaking was still going on, they could try to influence this process in their own, Western European interests.

The main question here, of course, is whether ruling circles in Western Europe, especially the EEC countries, are capable of influencing Washington policy. The equalization of the strength parameters of these two centers of the capitalist world--that is, the reinforcement of West European capitalism's international positions and the corresponding deterioration of American positions--is increasing West European potential in relation to the United States (in 1979 the EEC surpassed the United States in terms of total national production; that same year, American commodity exports were valued at 178 billion dollars and EEC exports were valued at 570 billion, with just the FRG accounting for 171 billion; the European NATO members maintain 80 percent of the bloc's ground forces, and this is important if we recall that, as the West has admitted, the parity between the United States and the Soviet Union has been established on the strategic level).

But this is not all. The deterioration of U.S. positions in the world arena means that Washington urgently needs the support of its allies. Firstly, because it is still trying to lead the West, and a leader needs followers. Secondly, U.S. ruling circles certainly realize that the success of many American undertakings in the international arena will depend on whether they are supported (and how, to what degree, and by what means) by the allies or not. But this support (in either case) is no longer automatic. Washington must "pay" for it, meaning that it must make some concession to the Western Europeans and must give their interests more consideration in its global policy. It is this mounting American interest in

West European support that is giving Washington's allies a much-needed opportunity to influence its policy.

The month that has gone by since Reagan's inauguration has demonstrated that the worries of Washington's West European allies were well-founded. At his very first press conference, there were several deliberate distortions of the goals and nature of Soviet international activity, which gave rise to a wave of governmental and public discontent in Western Europe. The first sign of this discontent, according to France's QUOTIDIEN DE PARIS, was FRG Chancellor Schmidt's statement that his government had "serious reservations" regarding the views which presupposed a Western desire for military superiority, and would adhere to the "principle of East-West equilibrium." "Stabilization in East-West relations on the basis of equilibrium" was advocated by the leaders of the FRG and France at a meeting in Paris at the beginning of February 1981.

"The existing military-strategic balance between the USSR and the United States, between the Warsaw Pact and NATO," the Accountability Report of the CPSU Central Committee to the 26th Party Congress states, "is objectively serving to keep the peace on our planet. We have not been and are not striving for military superiority to any other country. This is not our policy."

The new concrete proposals set forth by the forum of Soviet communists will lay a firm foundation for the further consolidation of international and European security and broader mutually beneficial cooperation by states of different social systems. They attest to the Soviet Union's willingness to give the policy of detente "a second chance," including detente in Soviet-American relations. It is this policy that agrees with the vital interests of the Western Europeans, and not the policy of confrontation that Washington is trying to impose on its allies.

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LABOR UNIONS AND THE ELECTIONS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 65-71

[Article by M. I. Lapitskiy]

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AMERICAN PUBLIC FEELINGS AS MIRRORED BY THE POLLS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 71-74

[Article by M. M. Petrovskaya]

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WATER SUPPLY PROBLEMS IN AMERICAN CITIES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 75-83

[Article by S. V. Bokova and V. S. Vasil'yev]

[Not translated by JPRS]

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MR. HALLE'S DUBIOUS OPTIMISM

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 84-86

[Article by V. A. Kremenyuk]

[Text] The magazine FOREIGN AFFAIRS occupies a special place in the huge variety of U.S. publications. It comes out five times a year, contains little advertising and no more than 10 or so long analytical articles and, as a rule, it presents a great deal of information on the latest literature on international relations. The magazine is particularly popular with politicians and experts on international affairs throughout the Western world.

The magazine is published by the Council on Foreign Relations, a research organization closely connected with the State Department and, to some degree, serving this department as its brain trust.[1]

For this reason, FOREIGN AFFAIRS could be called the mouthpiece of government bodies connected with foreign policy. It is a rostrum from which past and present statesmen, influential congressmen and academics express their views on important and cardinal aspects of U.S. foreign policy. Often, it is precisely these views that lie at the basis of the U.S. leadership's foreign policy decisions.

In our opinion, one of the noteworthy articles in last year's fifth issue of FOREIGN AFFAIRS was Professor Louis Halle's "Hopeful Future for Mankind." This is not the first article Professor Halle has written for the magazine and he is apparently considered to be a great authority on matters of global strategy, particularly as he was on the staff of the U.S. State Department's policy planning group in 1952-1954. His last place of employment was the International Research Institute in Geneva.

Why does Louis Halle see a "hopeful" future for mankind? The article begins with the statement that developed forms of life on earth are threatened by destruction or, at the very least, degeneration. Above all, this threat is posed by the possibility of the use of accumulated nuclear weapons. Another potential threat to mankind is posed by the ecological catastrophe that could result from uncontrolled technical progress, Halle states, which could lead to qualitative changes in the ecological balance and thereby threaten the survival of developed biological organisms.

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1. For more about the Council on Foreign Relations, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 9, 1977, p 33.

After some discussion of the danger of an ecological catastrophe, the author focuses his attention on the number-one danger: the threat of global thermonuclear conflict. On the one hand, he, as a sober and normal person, seems to recognize the immense danger posed to mankind's future by the possible use of nuclear arms. In this context, ideas connected with nuclear disarmament are not completely alien to him because he is frightened by the possible accidental use of existing nuclear potential and by the danger of nuclear proliferation on an unmanageable scale.

In his discussion of the possibility of nuclear disarmament at some time in the future, however, the author displays unconcealed skepticism. "Perhaps we should anticipate a time when a world government will establish global peace and the elimination and prohibition of weapons of mass destruction will become a purely technical matter," Halle writes. "However, in view of the fact that even the cultural bases for this kind of peace have not been established, this objective, just like the Second Coming, is extremely hypothetical and far from its actual attainment."

Specifically, Professor Halle recommends that people give up their castles in the air and face grim reality. He counsels the preservation, and even the augmentation, of nuclear potential, rather than its eradication, as a means of saving civilization from annihilation. "In our world," the author writes, "we must consider the matter thoroughly before we try to live without nuclear weapons."

It is his firm conviction that only nuclear weapons can create a "stable" world; only a "balance of terror" can save the world from annihilation. He tries to frighten the reader by asking what would happen if all nuclear arms should suddenly disappear. "Deterring centers of aggression" would also disappear and conventional weapons would be put to use. West Berlin would be seized and would become part of the sphere of "Russian domination." The independence of Yugoslavia and other countries "associated with the Soviet bloc" would be endangered. In general, the entire chain of threats posed by "Soviet aggressive policy" would be set in motion.

Consequently, according to Halle's logic, nuclear weapons are necessary, and even useful. In the first place, they "deter the Russians"; in the second place, they could come in handy if an ideological or religious fanatic should take power in any country possessing nuclear arms or capable of acquiring them and should "get excited enough to want to perform his historic or sacred mission by using these weapons for the complete eradication of evil."

"I must say," Halle concludes this part of his analysis, "that the most important problem facing mankind now and in the foreseeable future is not a search for ways of banning nuclear weapons, but a search for ways of learning to live with them."

But Professor Halle does not want his reasoning to sound like an echo of the irritating arguments of apologists of the military-industrial complex or the professional "strategists" who are convinced of the need for a nuclear arms race. He feels that, in his forecast of a "hopeful" future, the prospect of "living with nuclear arms" is promising neither to those who advocate their use nor to those who do not believe in them and question their "deterring effect."

In order to cover up the similarity between his views and the views of frank supporters of various U.S. theories regarding the use of nuclear arms to attain foreign policy objectives, Halle proposes a "grand" solution.

The world being what it is, everything on earth should stay the same in the next few centuries. The "free world" should oppose the communist world, backed up by the "deterring" potential of nuclear weapons. Third countries will remain uninvolved in "big politics." Strategic opposition is necessary for the maintenance of international "stability."

Mankind should look to the rest of the universe, he says. Man should explore areas near the earth, found independent space colonies with cheap solar energy and a new social order, and leave the earth, as the American colonists once left the Old World. "Even if the worst should happen on earth, if all life should be destroyed," he bombastically declaims, "mankind will have moved its civilization to outer space and can increase the number of new colonies and constantly enlarge existing ones for future generations."

As this advice positively reeks of fantasy and sounds quite ridiculous coming from a politician who has spent his entire career studying real terrestrial matters, Halle makes references to serious authorities, particularly American scholars Gerard O'Neill and Freeman Dyson. In their books, these authors describe the establishment of the first space colony in the 1990's and predict that the population in space will grow to 9.2 million in the next 20 years. In the subsequent 35 years, the population of outer space, according to their calculations, could grow to 7.3 billion.

In principle, the idea of saving mankind from "earthly sins" in outer space is not new. It would even be difficult to say who first proposed this method of saving mankind from the danger of a new world war. This idea is close to the American tradition of constantly dreaming about the "Promised Land." More than two centuries ago, the first emigrants from Europe who sailed to the New World in search of a better life and a more just society were hoping to find it across the ocean.

The small isolated colonies of the European emigrants grew into a strong industrial power and the descendants of the hunters and trappers are living in a world of automobiles and electronics. But clearly, the hope of a more just life is still only a hope today. Today the average American is essentially living the same life, full of risk and insecurity, as his long-ago ancestor did.

There is no question that his way of life has changed and its content is quite different in many respects. But neither the social situation within the United States nor the foreign policy of the American Government can guarantee the average American security, stable well-being and the hope of a peaceful and cloudless future. The richest country in the capitalist world lives in tense expectation of new economic crises and recessions, internal upheavals stemming from the dissatisfaction of the underprivileged segments of society, and new international crises provoked by imperialism and capable of starting a new world war.

Professor Halle's article would probably be of no consequence if it were not for two important considerations. In the first place, it is published in a magazine which is totally unconnected with the genre of science fiction and, on the contrary, generally analyzes the most urgent and significant issues in world politics. In the second place, it was printed at a time when the confrontation between two different approaches to the resolution of foreign policy problems became more fierce:

on the one hand, the line of peaceful coexistence and struggle for continued detente, which is proposed and supported by the countries of the socialist community and the overwhelming majority of other states and, on the other hand, the line of undermining detente, resurrecting the cold war, escalating the arms race and preparing for a new world war.

Under these circumstances, any serious press organ and any person who writes about matters of foreign policy and international relations must take a clear stand. This is what Professor Halle is doing. By putting his trust in "stability" through nuclear "deterrence," he voices support for his government's policy of arms race escalation.

But the Professor is not that transparent. He wants to appear concerned about the fate of mankind. However, mankind can get along without the kind of concern he displays because man does have a future, and this future does not involve strategic confrontation, which, according to Halle, would last a minimum of a few hundred years, and not a world government, which he himself seems to question. The future of mankind is being built today through the persistent and painstaking labor of millions of common people and through the struggle of mankind's best representatives for the freedom of people and for the right of each individual to live in peace, work, raise his children and serve all mankind. The foreign policy initiatives of the Soviet State and all of the countries of the socialist community, which will not allow the world to fall into the abyss of chaos and destruction, are intended to guarantee this kind of future.

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'GOD ISN'T A RIGHT-WINGER OR A LEFT-WINGER'

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 86-90

[Article by V. A. Voyna]

[Not translated by JPRS]

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NEW FUELS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 91-97

[Article by N. V. Tveritnev]

[Not translated by JPRS]

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BOOK REVIEWS

Twenty Years of Arms Control Efforts

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 98-99

[Review by V. S. Guseva of the book "Arms and Politics 1958-1978. Arms Control in a Changing Political Context" by Robin Ranger, Toronto, Macmillan of Canada, 1979, VIII + 280 pages]

[Not translated by JPRS]

American History in Three Volumes

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 100-102

[Review by V. P. Shestakov of the books "The Americans. The Colonial Experience"; "The Americans. The National Experience"; "The Americans. The Democratic Experience" by Daniel J. Boorstin, New York, Random House, 1979, 497 pages]

[Not translated by JPRS]

Efficiency Augmentation Program

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 102-104

[Review by G. B. Kochetkov of the book "Productivity. A Practical Program for Improving Efficiency" by Clair F. Vough with Bernard Asbell, New York, AMACOM, 1979, XII + 212 pages]

[Not translated by JPRS]

The Monopolies' Economic Strategy

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 104-106

[Review by L. N. Karpov of the book "V pogone za sverkhpribyl'yu (Ekonomicheskaya strategiya monopoliy na mirovykh rynkakh v usloviyakh nauchno-technicheskoy revolyutsii)" [The Race for Superprofits (The Economic Strategy of Monopolies in World Markets at a Time of Technological Revolution)] by Yu. A. Savinov, Moscow, Mysl', 1980, 255 pages]

[Text] Fierce monopolistic competition permeates the entire economic mechanism of present-day capitalism. The work being reviewed deals with the struggle of the monopolies to acquire the surplus value of greater dimensions that is created in new spheres for the exploitation of productive forces.

With the aid of abundant factual material, the author shows how the conditions of monopoly activity in the world market changed in the 1960's and 1970's under the influence of the technological revolution. Above all, in the process of turning science into a major factor of economic growth and competition, the monopolies have constantly increased the volume of research and development and have intensified the search for new commodities and cheaper production methods. A systematic relationship between science and the accelerated use of its discoveries is a characteristic feature of production today. A tendency pointed out by the author is important in this respect: the tendency "toward a shorter period of time between invention and innovation, resulting from the stronger base of scientific experimentation, better equipment for research and development data processing and more highly qualified researchers and developers" (p 24).

An important place in the work is taken up by a study of new aspects of the development of international trade, particularly the stronger intrasectorial specialization and cooperation, the higher percentage accounted for by exports in the GNP of the main capitalist countries and the priority development of exports of the latest machines and equipment. The author demonstrates that the position occupied by a country in the trade in items requiring high scientific input depends on the dynamics of technological potential and the growth rate of research and development expenditures.

The achievements of the technological revolution influence the economic policy of monopolies in two ways. On the one hand, Yu. A. Savinov points out, they cause products to become obsolete more quickly and necessitate the production of new items and, on the other, they reduce production costs. The author also examines the changing structure of the manufacturing output of major firms and the development of intersectorial competition on this basis, particularly between new and "traditional" industries.

The monopolies are working on an economic strategy which combines the constant renewal of the production assortment, the conquest of world markets and the reduction of production costs with the acquisition of surplus profits. The minimization of manufacturing costs is only made possible, as the author notes, by the optimal production volume, and this calls for the organization of production sales in many countries, as the domestic market of a single country is often incapable of absorbing all the commodities manufactured by a firm in the optimal

volume. The internationalization of economic activity, the author writes, heightens the efficiency of monopolized production because increased mass production is accompanied by reduced production outlays and larger surplus profits (p 93).

An important component of the economic strategy of monopolies, aimed at heightening the effectiveness of corporate activity as a whole, is the establishment of branches in countries with cheap labor. The products of these branches are then sent in their entirety to the markets of the monopoly's base country. For the monopolies, this output represents, as the author calls it, "an overseas product supply." Its development ensures the acquisition of sizeable relative surplus value and is an important instrument in the competitive pricing process. The development of the network of such branches, however, "and the augmentation of their role in the world capitalist economy are heightening the degree of production integration by various countries. The relationship between states is depending more and more on their place in the international production cycle within the transnational monopoly framework" (p 125).

Agreements on the sale of licenses and on cooperative production constitute an important instrument in the monopolies' struggle for world markets. The author points out the fact that these agreements envisage the coordination of production assortment and the division of product sales spheres among partners. In his analysis of license transactions, the author notes that they are used primarily as a means of controlling world markets, although the offer of licenses is only the first step in the monopolies' system of foreign economic expansion, which is followed by the license-holder's attempts to gain financial control over the weaker partner.

The author's discussion of the methods used by monopolies to prepare for the struggle for markets and, above all, to heighten the competitive potential of products is quite interesting.

The intensity of present-day monopoly competition and the need to fill markets with goods that are not only differentiated in terms of quality, but are also fundamentally new, color the scientific and technical policy of capitalist firms. The monopolies have placed technical progress at their own service because it would be impossible to retain a strong position in the competitive struggle without the extensive organization of scientific research and the rapid incorporation of its results. The author examines the scientific policy of the monopolies and demonstrates that the introduction of new products depends largely on the degree of monopolization: A firm with a strong position in the competitive struggle is less likely to strive for market innovations. Nonetheless, both large and small firms make comparatively extensive use of other methods of heightening competitive potential--the introduction of modern means of automation and new forms of labor organization.

The final chapter of the book deals with the bourgeois state's activity to stimulate and support monopoly expansion in world markets. The author makes a few debatable comments. For example, we could disagree with his opinion that "hierarchical structures and structures with reciprocal contacts between subdivisions are disappearing from the monopoly organization" (p 124). In fact, the tendency

toward centralized management is growing stronger in the organizational structure of transnational monopolies. The author's criticism of the bourgeois economists who invented the theory of the international life cycle of the commodity is too vague, and he repeats himself in places, particularly in his discussion of the role played by innovations and new commodities in monopoly competition. The author does not discuss the peculiarities of the economic activity of multinational monopolies in the developing countries.

On the whole, however, the author presents an in-depth analysis of various methods of monopoly struggle for superprofits under the conditions of the technological revolution, reveals the relationship between price and commodity competition and thoroughly criticizes the works of some bourgeois economists who defend the actions of monopolies in world markets.

Monopolies and Competition

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 106-107

[Review by R. M. Entov of the book "Sovremennyye monopolii i konkurentsiya (Formy i metody monopolisticheskoy praktiki)" [Today's Monopolies and Competition (Forms and Methods of Monopolistic Behavior)] by I. D. Ivanov, Moscow, Mysl', 1980, 254 pages]

[Text] This new book by I. D. Ivanov deals with one of the most complex aspects of theory--the relationship between the two contradictory principles of monopolization and competition under present conditions. It is from this standpoint that the author examines the variety of specific forms of monopoly profits and the methods used by large capitalist firms to acquire these profits.

The work contains a concise and accurate description of the changes brought about in the competition mechanism by the development of monopolistic capitalism. The author's analysis of the newest forms and methods of collective monopolistic behavior is particularly interesting. In our opinion, the author is correct in warning against the underestimation of the role played by such organizational forms of capitalist monopolies as cartels and syndicates in the capitalist economy in the 1960's and 1970's. Increased monopolization in foreign economic operations was accompanied by a rapid increase in the number of export and import cartels. In the United States, for example, the sulfur export cartel [illegible]rolled up to four-fifths, and the phosphate export cartel controlled around [illegible], of all exports of these commodities.

The techniques of monopolistic regulation, which were characteristic of cartels and syndicates, have recently been used more and more actively by gigantic multinational companies and by the bourgeois state. In this context, we could recall that the U.S. federal government resorted to these methods to regulate production volumes and price levels in the spheres of energy, civil aviation and agriculture. The role of international cartels is particularly important. All of this encourages researchers to put more effort into the study of the reasons for the "viability" of cartels, which, as the author correctly notes, "is extremely important, not only from the standpoint of theory but also as a means of protecting the specific foreign economic interests of the USSR" (p 54).

The abundant factual material on the use of "legal" monopolization by large capitalist firms, particularly various types of industrial property, is interesting. An analysis of this issue reveals the complex nature of the influence of technological progress on the present relationship between competition and monopoly. The move to new production technology and equipment generally intensifies capitalist competition dramatically. At the same time, the concentration of scientific research, designs and patents and the preservation of "know-how" as a commercial secret strengthen the position of the largest giant monopolies even more. The author analyzes the specific methods used by monopolies to impede the research work of competitors, the practice of refusing to issue licenses, the restrictions on the incorporation of licensed technology, "cross-licensing" and the organization of patent pools. Skillfully singling out the political and economic aspects of the matter, Ivanov traces a definite tendency toward increased monopolization and the appropriation of an increasing percentage of "technological rent" by the largest capitalist firms.

Examining the role of the state in the complex interaction of the forces of monopoly and competition, the author points out not only the variety of measures which directly support monopoly capital, but also the group of measures to protect, in F. Engels' words, the general external conditions of the capitalist method of production from encroachment by individual capitalists. In the 1960's and 1970's federal antitrust agencies became much more active; for this reason, the author's analysis of the basic directions of state-monopoly regulation in branches distinguished by a relatively high level of capital and production concentration is interesting. His analysis of the application of antitrust legislation outside the country (surveillance of the activity of overseas branches of major corporations and many other aspects), as well as the regulation of restrictive business practices within the framework of international economic organizations, is also interesting. Summarizing a considerable amount of factual material, the author shows that such forms of state-monopoly regulation are not at all directed against the further concentration of production and capital or against the economic basis of the power of financial capital, but only against isolated abuses in the choice of certain forms of monopolistic concerted action.

In this book I. D. Ivanov does not limit himself to an analysis of the activities of major corporations in the developed capitalist countries; he also describes monopolistic behavior in the developing countries. The financial capital of the major Western powers is much more active today than ever before and is striving to enmesh the economies of young national states in the network of monopolistic dependence. Various cartel agreements, for example, are an important method of collective monopolistic behavior. For example, the developing countries are within the sphere of influence of virtually all U.S. export cartels (as well as the cartels of Japan and several other industrially developed capitalist countries). As a result, the author comments, the markets of the young states are now covered by an even more dense network of cartel agreements than the markets of the developed capitalist countries.

Many facts testify that the dominant position of monopolistic capital naturally aggravates the problems of economic development. Suffice it to say that the advertising expenses of several major American companies far surpass their expenditures on scientific research, and two-thirds of the laboratory costs of these firms are expenditures on so-called "protective" research and development. Under pre ent

conditions, it is becoming particularly obvious that the very functioning of monopolistic capital is tightening the knot of economic and social contradictions of the bourgeois order.

Wall Street and Foreign Policy

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 107-108

[Review by V. F. Rubtsov of the book "Uoll-Strit i vneshnyaya politika" by R. S. Ovinnikov, Moscow, Mezhdunarodnyye otnosheniya, 1980, 270 pages]

[Not translated by JPRS]

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LANGUAGES AND POLITICS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 109-114

[Article by Z. S. Gunayev]

[Text] Until World War II, the teaching of foreign languages was not considered to be of any great significance in the United States. It was assumed that there was no particular need for this because the English language was widely used in the world.

The need for a knowledge of foreign languages was recognized, however, when the United States entered World War II and was suddenly faced by an acute shortage of translators, liaison officers and other specialists proficient in the languages of allies and the enemy. For this reason, the task of expanding the study of foreign languages in the nation in the war years was assigned chiefly to the Department of Defense. In accordance with a special department program, foreign languages were included in the curricula of several military academies, as well as men's colleges and universities where officers received their non-combat training.

In the postwar period the interest of federal agencies in foreign languages stemmed from the mass presence of American troops in many foreign states, as well as the anticommunist aims of U.S. foreign policy. During the cold war years, for example, a heightened interest in the languages of peoples and countries embarking on the construction of socialism was displayed by propaganda agencies as well as the Pentagon.

Later the constantly increasing strength of the socialist countries and, in particular, the USSR's scientific and technical achievements of the late 1950's and early 1960's sharpened this interest. It was directly stimulated by the launching of the first Soviet satellite, which brought about the fundamental reassessment of the state of affairs in education by ruling circles. Many statesmen and politicians, and not only pedagogues as in the past, began to talk about the importance of foreign languages.

In a special message to Congress on 27 January 1958 on the improvement of foreign language teaching, President Eisenhower announced that "a knowledge of foreign languages is particularly important now in light of America's commitment to lead the free world."[1] "As a nation," Senator H. Humphrey remarked in one of his speeches, "we are linguistically unprepared to safeguard our defense...or assume

full leadership of the world in peacetime."[2] Statements about the importance of foreign languages were also made by the military. "If we want to keep our position in today's world and continue to influence international relations," Admiral Rickover warned, "we must become a polyglot nation."[3] An article entitled "Foreign Languages as a Defensive Weapon" in MODERN LANGUAGE JOURNAL noted that "the study of foreign languages by young Americans represents a significant factor in the safeguarding of U.S. defense."[4]

It is interesting that some American authors discerned the connection between the traditionally low level of foreign language studies in the United States and the country's declining prestige abroad. In their opinion, the defects in the educational system and the contemptuous attitude of many Americans toward the customs, culture and languages of other countries contributed to the overseas image of the "ugly American," who cannot or will not communicate with the local population or establish friendly relations with it.[5]

According to some authors, the language barrier was one of the reasons for the hostility with which American soldiers were treated in foreign countries. It was noted, for example, that American servicemen stationed in West Germany became embroiled in various scandals because of their ignorance of the German language. These considerations apparently also motivated the issuance of the special order on NATO troops in 1961, which instructed American officers, soldiers and servicemen's wives to learn the languages of the countries in which they would be staying to guarantee "friendly communication" with the local population.[6]

Therefore, the new approach to the study of foreign languages in the United States in the "post-Sputnik era" was less indicative of a desire to raise the level of national education than of the strategic considerations of U.S. ruling circles. This is also attested to by the very intensity of government efforts, which resulted in several operational measures and reforms that radically changed the attitude toward the study of foreign languages.

First of all, considerable sums were appropriated, on the basis of laws passed by the Congress, for the fundamental reorganization and expansion of foreign language study. These appropriations grew considerably after the passage of a federal act on educational development for national defense in 1958, which stipulated that enough specialists should be trained to satisfy the needs of U.S. national defense.[7]

There was considerable enlargement of the network of academic institutions offering foreign language courses and an increase in the number of hours allotted to this subject in academic programs. Large sums were allocated for the training and advanced training of instructors. New institutes and schools were opened for the accelerated training of instructors and translators, and grants were established for undergraduate and graduate students studying "in the field"--that is, in the countries where these languages were spoken.

Many American linguists and pedagogues must be given credit for their experimental work in the development of teaching aids and more effective teaching methods, particularly with regard to the use of technical media and programming. Here too, however, one of the factors stimulating the improvement of teaching methods, the

technical automation of the academic process and the creation of new academic materials, according to the Americans themselves, was the desire to "win the contest against Russia." In just the 5 years after the first satellite was launched the number of language laboratories in American academic institutions rose from 46 to 6,000.

The actual reasons for the unprecedented interest in foreign languages displayed by federal agencies were attested to by the differentiated approach used in the compilation of programs for the study of "strategic" languages and the allocation of funds for this purpose. The degree of a language's "importance" was defined in the context of world affairs and according to the place assigned to the country in the strategic plans of U.S. ruling circles. Russian, Chinese, Arabic, Japanese, Hindi, Urdu and Portuguese were declared to be "high-priority strategic languages." Some Eastern European, Asian and African languages, many of which had never been taught in American academic institutions, were classified "critically necessary" and simply "strategic." When it came to the languages of the Soviet Union, all of the languages of the union republics were declared "strategic."

As for the Russian language, the American Government's particular interest in it stemmed primarily from the need to acquire timely information about Soviet achievements, assess this information more soberly and realistically and take it into account in the determination of U.S. responses to the "Soviet challenge." Criticizing the contemptuous attitude toward foreign languages in general and the almost total disregard for the Russian language, which was characteristic of the American educational system before the first satellite was launched, some authors remarked with regret that the Americans would not have been "taken unawares" by this outstanding achievement of Soviet science and "would have known about the preparations for this mission at least 6 months earlier if they had been able to read Russian science journals at that time."

It was after the first satellite was launched that the Russian language, a "high-priority strategic language," was first taught as a required course in some American schools. Whereas the Russian language was only taught in 10 high schools in 1957, it was part of the curriculum in 150 schools in the 1958/59 academic year, 400 in 1959/60, and 600 in 1960/61. The same increase in the number of academic institutions offering Russian language courses was observed in the system of higher education.

The increasing popularity of the Russian language in the United States contributed to more than just the strategic plans of federal bodies. The reason that average Americans and other people in the world began to take more interest in the Russian language was primarily the fact that it gave them access to the achievements of Soviet science, technology and culture, which played an important role in mankind's development. To a tremendous degree, this was also promoted by the Soviet Union's peaceful foreign policy and its constant effort to establish and develop mutually beneficial cooperation with other countries, including the United States.[8] We should recall that the American astronauts, scientists, engineers and other specialists who took part in the preparation and execution of the first joint Soviet-American space flight, "Soyuz-Apollo," took intensive Russian language courses, just as their colleagues in the USSR mastered the English language.

The act on educational development for national defense played an important role in the expansion of foreign language studies, the training of experts on various countries and regions and the intensification of research into various international issues of interest to U.S. military strategy and foreign policy planning bodies. Special language and area studies centers were established at many universities and colleges to conduct this kind of research and teach the "strategic" languages. For example, a Russian center was opened at the University of Washington, a Far East center at Harvard, a center for Slavic and Eastern European languages at the University of California, an African center at the University of Michigan, a Middle East center at Utah State University, a Chinese center at Iowa State University, an Ural-Altaic center at Columbia University, and others. These centers received large sums from the government and from private organizations--the Ford and Rockefeller Foundations and others. The government allocated 150,000 dollars for programs for the study of Russian and Eastern European languages and related subjects, while the Ford Foundation contributed more than 3 million dollars.[9]

The State Department also began to concern itself more with the study and use of foreign languages. It paid special attention to these matters after the level of the professional training of foreign service personnel was discussed in Congress in 1960. As a result of this discussion, Congress made an important addition to existing legislation (the Foreign Service Act of 1946)--a statement about the linguistic training of State Department personnel and their specialization in individual countries and regions and demanded that this agency staff American embassies and missions abroad exclusively with persons fluent in the "chief language or dialect" of the country.

In accordance with this directive, much higher demands were made on the study of foreign languages at the Foreign Service Institute--the main training center for personnel for American diplomatic offices abroad. Besides this, foreign service personnel were required to heighten their professional qualifications, including their knowledge of foreign languages and area studies, either by means of self-education or by attending American embassy classes, as well as language schools in Tokyo, Beirut and Taiwan, which are affiliated with the Foreign Service Institute.

The importance the State Department began to assign to the linguistic training of its personnel is attested to by the eagerness with which it hires former Peace Corps volunteers, who acquire excellent skills in foreign speech in their host countries. Young applicants who come to the State Department with a knowledge of rare or "difficult" languages are paid higher salaries.

Special attention is paid to the use of foreign languages as a medium of foreign policy propaganda and ideological diversion against other countries, particularly the countries of the socialist community. This is attested to, for example, by the scales of the activities of the "Voice of America," "Rad o Liberty" and "Radio Free Europe." At present, the ideologically colored "Voice of America" programs are transmitted in 38 languages, but this number varies depending on the political climate in the world and the existence of crisis situations in particular countries or regions. During the war against Vietnam, for example, programs were broadcast in the common languages and dialects of Southeast Asia, and the radio station's Portuguese editorial staff owes its existence to the revolution in Portugal.

Foreign languages are also used by government bodies in "sociological espionage"--that is, the study of public opinion and the mentality, feelings and attitudes of the population in various countries, particularly those in which an upsurge is anticipated in revolutionary and national liberation activity, where the positions of American monopolies are growing weaker and where attitudes in favor of closer cooperation with the socialist countries are becoming stronger. This is attested to, for example, by the "Camelot" program, which became an international scandal in 1965. Under the guise of a seemingly inoffensive questionnaire, it was intended to investigate the alignment of forces, forecast future sociopolitical developments and indicate various methods of struggle against the national liberation movement in 30 Asian, Latin American, African and European countries. Chile was chosen to be the first object of this "research."[10]

Foreign languages also began to play an important role in the foreign economic expansion of American imperialism and in its tactic of neocolonialism in relations with the developing countries. The knowledge of foreign languages is regarded by imperialist monopolies as one of the factors contributing to the broader export of capital to other countries, the establishment of stronger control over their foreign trade, the organization of advertising and industrial espionage there and the enticement of specialists. For this reason, multinational corporations, large companies, banks and airlines spend considerable sums on the linguistic training of their personnel in their own classes or in the commercial Berlitz language schools that are located throughout the world.[11]

In connection with the heightened militarization of American foreign policy, the role of foreign languages in the armed forces has become even more important. In its offices and subunits located on numerous American military bases abroad, the Department of Defense has 60,000 staff positions that must be filled by specialists with the proper linguistic training.[12] Foreign languages play a significant role in the training of special subunits (the "Green Berets") for mass diversionary and intelligence operations on enemy territory. Most of the soldiers and officers of these subunits specialize in individual geographic zones and countries and are fluent in at least one foreign language.[13] They took part, for example, in the armed aggression against Cuba and Vietnam, suppressed the liberation movement and conducted so-called counterpartisan operations in a number of Asian, African and Latin American countries, organized coups d'etat and eliminated undesirable politicians.

A new example of the use of such troops was the carefully organized but shamefully miscarried venture to "free" the American hostages in Iran in April 1980. According to reports in the press, specially trained U.S. secret agents who spoke Farsi were transferred to Iran during the preparations for this armed diversionary action, and the shock detachment of American commandos, who were supposed to carry out the main operation on the night of 25 April, included officers of the special forces who spoke the language and wore the uniform of the "guards of the Islamic revolution."

The demand of the American secret services for specialists fluent in foreign languages also rose in connection with the increased volume of work involved in the acquisition, collection and processing of espionage information about the military, political and economic potential of foreign states and their armed forces.[14]

What is more, the intelligence and propaganda agencies of the United States are paying increasing attention to the collection of "legal" information, taken from various public foreign sources--newspapers and magazines, scientific and technical publications, official government reports and decrees, and radio and television programs. For the efficient processing and translation of information from such sources, these agencies employ many specialists fluent in foreign languages. Their duties include the thorough study of countries and the collection of materials for the elaboration of the American Government's foreign policy strategy and its propaganda.

The Carter Administration attached great significance to foreign languages in the activities of the U.S. foreign service in the last 4 years. After Carter moved into the White House, he announced his intention to put an end to the "faulty practice" of appointing ambassadors who know nothing about the language and problems of the country in which they are to serve. The importance of foreign language training for foreign service personnel was also underscored by the President's national security adviser, Z. Brzezinski, who suggested that the Pentagon, State Department, the International Communication Agency and the CIA intensify the collection of strategic information necessary for the forecasting of future developments in foreign states.[15]

Washington's great interest in foreign languages is attested to by President Carter's establishment of a special presidential commission on foreign languages and his announcement of a program in 1977 to "heighten the effectiveness" of the entire system of U.S. foreign policy propaganda, chiefly for more intense psychological warfare against the socialist countries. In accordance with this program, the U.S. Information Agency was reorganized and the International Communication Agency was created and became a coordinating center for American government propaganda campaigns in foreign countries.

Despite all past and present steps to improve the linguistic training of the personnel of the foreign policy establishment and propaganda services, the government is still being criticized for the inadequacy of its efforts in this field. This criticism has recently become more pointed. For example, the NEW REPUBLIC stated: "At the time of the Iranian revolution, there was not a single diplomat who could speak Farsi fluently in the political division of the American Embassy in Tehran.... In neighboring Afghanistan, two American diplomats who arrived on the scene of Ambassador Dubs' abduction could not speak Dari, the local Persian dialect. In Pakistan, another key country in the so-called 'crescent of crisis,' only 5 of the 32 American diplomats spoke Urdu. In Kenya only 1 of the 22 members of the American embassy staff speaks Swahili."[16]

The mass media have been the target of similar criticism. It has been noted that almost all of the Western correspondents who went to Tehran to cover the Iranian revolution could not speak the local language. All types of charges were also heaped on the "Voice of America" for its failure to broadcast programs in Farsi when the shah's regime was in power. Now the heads of the chief agency of U.S. foreign political propaganda are trying to close the gap: Programs in this language have been broadcast daily since May 1979, and the length of the programs recently tripled--from 2 to 6 hours a day.

As a medium of international communication and information exchange, foreign languages can promote public awareness, mutually beneficial cooperation and friendship between nations, the reciprocal enrichment of national cultures and the spread of technological progress throughout the world. Clear evidence of this can be found in the Soviet Union's variety of political, economic, scientific, technical and cultural contacts with other countries, which would be unthinkable without the extensive use of foreign languages as a means of communication. The development of such contacts, which increase in intensity and diversity each year, is an integral part of the peaceful foreign policy of the USSR.

The facts indicate, however, that American government agencies are more and more likely to use foreign languages for other, completely opposite purposes.

FOOTNOTES

1. A. Astrower, "Language in Law and Diplomacy," Philadelphia, 1965, p 400.

2. W. Parker, "The National Interest and Foreign Languages," Wash., 1965, p 110.

3. A. Astrower, Op. cit., p 123.

4. THE MODERN LANGUAGE JOURNAL, No 7, 1962, p 299.

5. Apparently to lose this image, the U.S. propaganda service drew up a so-called "people-to-people program" to encourage American tourists and businessmen to study foreign languages and establish personal contacts with the citizens of foreign countries for the purpose of "mutual understanding and mutual affection" ("Education and Training in Developing Countries," N.Y., 1966, p 215).

6. I. Remer, "A Handbook for Guiding Students in Foreign Languages," Wash., 1963, p 34.

7. In accordance with this act, appropriations of 700 million dollars were allocated to improve the teaching of "critical" subjects--mathematics, the natural sciences and foreign languages. In 1964 the act was renewed by President Johnson and the approprations sum was increased considerably.

8. For more detail, see Ye. V. Dylyuk and A. A. Sokolov, "The Russian Language in America," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 11, 1975.

9. See "Language and Area Study Programs in American Universities," Department of State, Wash., 1962, p 102.

10. L. Kirkpatrick, "The U.S. Intelligence Community," N.Y., 1968, p 127.

11. W. Parker, Op. cit., p 114.

12. "The Study of Foreign Languages," edited by J. Roucek, N.Y., 1968, p 31.

13. Some of these subunits consist almost totally of foreigners: Congress once passed a law authorizing their recruitment by the American Army for the quicker manning of the special forces. As a rule, these are people who have renounced their motherland, traitors who have emigrated from their own countries; they conduct the language training of American personnel in the special forces.

14. The Pentagon has a vast network of its own specialized academic institutions for the training of these specialists. They are trained, in particular, at the Army language school in Monterey (California), the Army counterintelligence school in Baltimore, the Navy language school in Annacoste, the Air Force intelligence school in Syracuse (New York) and others.

15. THE NEW REPUBLIC, 31 March 1979, p 13.

16. Ibid.

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POPULARIZATION OF AGRICULTURAL RESEARCH

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 114-121

[Article by L. V. Ospinnikova]

[Not translated by JPRS]

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THE U.S. MILITARY BUDGET

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 3, Mar 81 pp 122-127

[Article by V. P. Konobeyev]

[Text] The financial basis of all state military activity in the United States, including the new round of the arms race that began in the second half of the 1970's, is the military budget. This article, which was written with the aid of official American statistics, examines the dynamics of military budget indicators in fiscal years 1976-1980, projected budget figures for the next 5 years and some of the peculiarities of the American military budget.

The chief sources of statistical information about these matters are the annually published "Budget of the United States Government"--this is a draft budget, "Department of Defense Annual Report" and "Statistical Abstract of the United States," the monthly SURVEY OF CURRENT BUSINESS, published by the Department of Commerce, and articles in some American periodicals. The draft budget and the report of the secretary of defense contain, in addition to statistical indicators, explanations of individual sizeable items, as well as "justification" for the increase in military spending. Most of this material is an overt apology for U.S. military preparations.

In order to explain American military budget statistics more clearly, it would be best to first say a few words about budget procedure in general.[1] Each year, usually in January, the U.S. President sends Congress a draft of the entire federal budget for the next fiscal year, beginning on 1 October. Congress then discusses the draft. This discussion is distinguished by extremely complex rules and lasts many months, sometimes until the end of the current calendar year. As a result, a bill is passed on appropriations for the coming fiscal year (which has actually already started). After it is signed by the President, the bill becomes an appropriations act.

When the draft budget and its military items are discussed in various congressional subcommittees and committees, various segments of the ruling class and their representatives in Congress fight an extremely fierce battle for appropriations. The many lobbyist organizations and groups become much more active, literally bombarding the "necessary" congressmen with requests for the approval of certain military programs or for an increase in funds, in accordance with the interests of their "clients"--in this case, the military-industrial corporations and defense agencies.

In addition to making proposals regarding military spending in the coming fiscal year, the administration's draft also contains preliminary estimates of the main defense budget indicators for the next 4 years. This means that each draft presents a kind of "sliding" 5-year program of funding for military preparations. The draft federal budget submitted by the Carter Administration in January 1980, for example, stated the amounts requested by the administration for fiscal year 1981. These figures were finally approved in the first half of December 1980 (that is, more than 2 months after the beginning of the current, 1981 fiscal year). Besides this, it contained projections for fiscal years 1982-1985. In December 1980 Carter signed a bill on appropriations in fiscal year 1981. In March 1981 the Reagan Administration will already be submitting the draft federal budget for fiscal year 1982, which is supposed to be discussed and approved in calendar year 1981, and preliminary estimates of the main budget parameters for fiscal years 1983-1986.[2]

One of the peculiarities of the U.S. federal budget, reflected in statistics, is the existence of two sections--"budget allocations" (or, in American terminology, "budget authorities") and "expenditures" (or "outlays"). The first specifies the maximum sums for which government organizations can take on financial obligations (in the given fiscal year) for the conclusion of contracts with private suppliers of weapons, various commodities and services for the armed forces and defense agencies, and so forth. Payments on such obligations can be made over a period of several years, depending on the terms of the contract. The funds that can be spent during the given fiscal year are stipulated in the "outlays" section. Consequently, outlays are actually made from new authorities and (or) authorities of past years. Appropriations not used in the current year are spent in subsequent years, as the programs for which they are allocated are carried out. This practice guarantees funding for programs which could take many years to complete and gives military-industrial companies definite guarantees and guidelines for the fairly remote future, which is extremely important to military monopolies planning their economic strategy.

Table 1

Dynamics of U.S. Military Authorities and Outlays
billions of dollars, in current prices

Fiscal years	Authorities	Outlays	Excess of authorities over outlays
1972	80.3	77.3	3.0
1976	103.8	90.5	13.3
1977	111.1	98.1	13.0
1978	118.5	105.7	12.8
1979	129.6	118.3	11.3
1980	142.4	131.3	11.1
1981	171.4	160.1	11.3
1982	194.6	181.8	12.8
1983	219.5	205.1	14.4
1984	246.2	229.8	16.4
1985	274.2	255.8	18.4

Data for 1972-1980 taken from editions of "The Budget of the United States Government" for the corresponding years; figures for 1981-1985 calculated by the author on the basis of data on projected rates of increase in military spending (an average of 5 percent in constant prices) and official price increase forecasts.

As Table 1 indicates, authorities are far in excess of outlays in the U.S. military budget; what is more, the difference between them has constantly grown in recent years. In fiscal year 1972 it was around 3 billion dollars, but in 1981 it should reach, according to the draft budget, 11.3 billion. This indicates the existence of sizeable military programs which will continue to be financed in coming years. In other words, the previous administration had already programmed the further escalation of the arms race in coming years and, to a considerable extent, financed its execution.

Official statistics testify that, in spite of the promises Carter made during the 1976 campaign, Washington's expenditures on military preparations have been growing more and more quickly since 1977. From the very beginning, Carter's promise to cut the military budget by 5-7 billion dollars a year was questioned by American commentators. Subsequent events justified these suspicions. The draft federal budget for fiscal year 1981 and the projected figures for the next 4 years, submitted to Congress in January 1980, were seriously criticized by the progressive public in the United States and other countries for the unwarranted growth of already huge military expenditures, which cut the funds for social programs. In spite of this criticism, when the Democratic administration's requests were discussed, Pentagon appropriations for fiscal year 1981 were increased to 171.4 billion dollars, which was 9.1 billion higher than the originally planned sum and almost 11 percent higher (in constant prices) than allocations for fiscal year 1980. The continuous dramatic growth of appropriations in subsequent years was specified (an average, as Carter announced, of 5 percent a year in constant prices). Military outlays will also increase, and the significant difference between authorities and outlays will be preserved and then increased.

Statistics expose the actual purpose of the far-fetched, tendentious arguments of militaristic propaganda in the United States, which is attempting to soothe public opinion and justify the growth of military outlays. It has been stated, for example, that the Pentagon's military outlays, measured in terms of their percentage of the gross national product, are at their "lowest" point in the many years since World War II. It is true that the indicator exceeded 9 percent of the GNP during the cold war years and the period of American aggression in Vietnam, while it was only 5.1 percent in fiscal year 1979. This decrease, however, was not due to a low level of military spending, but to the more rapid growth of the GNP. In 1955, 1 percent of the GNP was equivalent to 3.8 billion dollars, but in 1979 the figure was 23.1 billion. This means that the "price" of 1 percent of the GNP (in current prices) rose more than sixfold in this time. In the next 5 years, the military budget will grow more quickly (around 5 percent in constant prices) than the GNP (3.5-4 percent on the average). Consequently, the proportion accounted for by military spending in the GNP cannot serve as an adequate and objective criterion for assessing the intensity of military preparations in a country with the economic developmental level of the United States. Whereas the growth of the GNP in the United States takes place primarily in accordance with the objective economic laws of capitalism, the level of military spending is virtually decided by the military leadership's subjective assessment of "defense needs," and this leadership has never been distinguished by a poor "appetite." For this reason, the attempts to camouflage the excessive growth of the military budget by means of references to its supposedly "small share" of the GNP reflect a desire to "legalize" the continued growth of military spending in the United States at a quicker rate

than the growth of the GNP. This approach signifies the creation of an automatic financing mechanism for a continuous and extremely dangerous arms race.

The American Government and bourgeois propaganda are also trying to justify the sharp increase in military spending after fiscal year 1976 by making references to the inflationary rise in prices in the nation and the higher cost of modern military equipment. All of these "explanations," however, are refuted by a few economic calculations based on official statistics.

In the first place, the Pentagon uses its own deflator to calculate the rise in prices and it is almost always higher than the average GNP deflator.[3] Besides this, the majority of military purchases are commodities with a long service life, for which the deflator is considerably lower than the average. The precise calculation of a deflator for Pentagon purchases, which consist of a broad variety of commodities, is an extremely complex matter. Almost all branches of industry are involved to some degree in filling defense orders, with their constantly varying structure. What is more, in each of these branches the price indices of various commodities or services can differ significantly. Therefore, it would be better to use the GNP deflator to calculate military expenditures in constant prices. As a result of the Pentagon's use of its own price index, however, published official data on U.S. military spending in constant prices are considerably understated and their dynamics are distorted, as Table 2 illustrates.

Table 2

Comparison of GNP and U.S. Defense Department Deflators
(in 1972 prices)

Indicators	Fiscal Years					
	1976	1977	1978	1979	1980*	1981*
Defense Department deflator (1972 = 100)	136.3	146.6	158.0	170.0	184.4	200.0
Military expenditures, billions of dollars in constant prices, calculated with the aid of the Defense Department deflator	66.4	66.9	66.9	69.6	71.2	80.1
GNP deflator (1972 = 100)	133.8	141.6	152.1	165.5	180.4	196.3
Military expenditures, billions of dollars in constant prices, calculated with the aid of the GNP deflator	67.6	69.3	69.5	71.5	72.8	81.6

* Preliminary estimates.

Calculated according to "The Budget of the U.S. Government, Fiscal Year 1981," pp 45-46, 100, 602, 613.

In the second place, the rising cost of modern military equipment due to its increasing complexity does not bring about an equivalent increase in the cost of equipping armed forces in peacetime when their number remains constant. The

increasing complexity of weapon systems is the result of attempts to heighten their combat effectiveness, which leads to the relative heightening of the economic effectiveness of weapons because combat objectives can be attained with a smaller number of weapons of the newest types.

Therefore, the inflationary rise in prices and the rising cost of modern weapon systems cannot justify the sharp increase in military spending in recent years in the United States or the increase planned for the coming 5 years.

In any examination of the U.S. military budget, it is necessary to remember that the full sums of direct military expenditures (in American terminology, expenditures on "national defense") and authorities are made up of funds allocated to the Department of Defense and to the Department of Energy for the development and production of nuclear weapons, as well as funds earmarked as military aid to other states (see Table 3). In fiscal year 1980, for example, the amount to be spent directly on the development and production of nuclear weapons was planned at 3 billion dollars, and the projected figure for 1981 is 3.4 billion. In the last 5 years, these expenditures have more than doubled--from 1.6 billion dollars in fiscal year 1976 to 3.4 billion in 1981, which attests to the constant augmentation of nuclear stockpiles in the United States. Expenditures on military aid to foreign states totaled 563 million dollars in fiscal year 1979 and 897 million in 1980. It should be borne in mind that for the last 4 years the funds allocated for military aid are not listed in the "national defense" section of the budget, but in the "international affairs" section, although they are designated for military use. In this way the actual size of the Pentagon budget is minimized. What is more, part of the sum allocated for military aid is essentially an addition to the Pentagon budget because the Pentagon often sends obsolete military equipment from its stocks overseas, particularly to the developing countries, in the form of "gifts." The Pentagon then uses the corresponding financial resources to purchase new combat equipment for the American Armed Forces.

In addition to direct military expenditures, large sums are spent by civilian agencies to finance various types of activity of a military nature. These sums are not included in official defense budget statistics but are used to finance NASA research projects, the establishment of strategic transport routes, the creation of reserves of strategic materials, the completion of various international programs and the payment of subsidies to veterans of past years and interest on the national debt, much of which (according to some estimates, around two-thirds) is connected with past or present military activity. According to the estimates of experts from the Labor Research Association,[4] the total amount of these expenditures, including primarily indirect and covert military outlays, will be almost 82 billion dollars in fiscal year 1981, including 45 billion for interest on the national debt, 21.7 billion for veterans benefits, 3.2 billion for the military aspects of fundamental research and other work in space exploration and technology, 10.6 billion for part of the funds allocated for "international affairs," particularly funds for military aid, and 1.3 billion dollars for the development of an emergency energy supply by the Department of Energy.

In recent years there have been some changes in the structure of the U.S. military budget, as Table 4 illustrates. Whereas expenditures on the maintenance of armed forces personnel rose until fiscal year 1975 and accounted for a maximum of

36 percent of all military outlays, there was a steady tendency toward their decline after 1976, and in fiscal year 1980 they will account for around 30 percent of all military expenditures, according to preliminary estimates, and in 1985 they will account for 25 percent. This refutes Washington's attempts to justify the growth of military spending by the supposed rapid increase in the wages of servicemen and civilian employees of the Defense Department. In the second half of the 1970's the funds spent on the maintenance and operation of the material components of the armed forces accounted for 31-32 percent of the total. At the same time, the proportion accounted for by purchases of new weapons constantly grew, from 17.7 percent in fiscal year 1976 to 21 percent in 1980. This testifies to the American military leadership's intention to broaden the scales and accelerate the speed of military production--that is, to bring about the further intensification of the arms race. Military research and development funding absorbed around 10 percent of all military outlays in the second half of the 1970's, and this means that it grew at approximately the same rate as the military budget as a whole in absolute terms. The increased spending on military research and development reflects the escalation of the qualitative arms race and the U.S. desire to attain scientific and technical superiority in the military sphere.

Table 3

United States Military Authorities and Outlays
billions of dollars, in current prices

Fiscal years	Military authorities			Military outlays		
	Defense Department	Other agencies*	Total	Defense Department	Other agencies*	Total
1972	77.5	2.8	80.3	75.2	2.1	77.3
1976	100.9	2.9	103.8	87.8	2.7	90.5
1977	108.5	2.6	111.1	95.6	2.5	98.1
1978	115.4	3.1	118.5	103.1	2.6	105.7
1979	125.1	4.5	129.6	115.2	3.1	118.3
1980	138.6	3.8	142.4	127.4	3.9	131.3
1981	166.9	4.4	171.4	155.7	4.4	160.1
1982	190.1	4.5	194.6	177.4	4.4	181.8
1983	214.6	4.9	219.5	200.3	4.8	205.1
1984	241.0	5.2	246.2	224.6	5.2	229.8
1985	268.3	5.9	274.2	250.0	5.8	255.9

* These are funds for the development of nuclear weapons and for military aid to other states. The figures do not include the NASA budget (5.3 billion dollars in authorities and 5 billion in outlays in fiscal year 1980), around half of which is designated for military use.

Calculated on the basis of the sources listed in the footnote to Table 1.

Table 4 also testifies that in fiscal year 1977 the Pentagon began a new cycle of large-scale weapon purchases, which will continue in the first half of the 1980's. According to the draft military budget submitted by Carter in January 1980, the

proportion accounted for by weapon purchases was supposed to reach 25 percent of the total in fiscal year 1985. In connection with Congress' decision to increase the military appropriations requested by the administration for 1981 to 171 billion dollars and military outlays to 160.1 billion and the Pentagon decision to speed up the work on some programs, we can expect the proportion accounted for by purchases of military equipment to reach the 25-percent mark as early as 1981-1982.

Table 4

Volume and Structure of U.S. Military Outlays by Fiscal Years*

Type of outlay	1976	1977	1978	1979	1980	1981**
Maintenance of personnel, including retirement benefits	32.3 / 35.7	33.9 / 34.6	36.3 / 34.3	38.7 / 32.7	42.5 / 32.4	45.4 / 30.9
Maintenance and operation of material component of armed forces	27.8 / 30.7	30.6 / 31.2	33.6 / 31.8	36.4 / 30.8	40.9 / 31.1	46.4 / 31.6
Weapon purchases	16.0 / 17.7	18.2 / 18.6	20.0 / 18.9	25.4 / 21.5	27.6 / 21.0	30.5 / 20.7
Research and development funding	8.9 / 9.8	9.8 / 10.0	10.5 / 9.9	11.2 / 9.5	12.9 / 9.8	14.8 / 10.1
Outlays on nuclear weapons	1.6 / 1.8	1.9 / 2.0	2.1 / 2.0	2.5 / 2.1	3.0 / 2.3	3.4 / 2.3
Expenditures on military aid	1.1 / 1.2	0.6 / 0.5	0.5 / 0.5	0.6 / 0.5	0.9 / 0.7	0.8 / 0.5
Funding of military construction and other outlays	2.8 / 3.1	3.1 / 3.1	2.7 / 2.6	3.5 / 2.9	3.5 / 2.7	5.7 / 3.9
Total	90.5 / 100.0	98.1 / 100.0	105.7 / 100.0	118.3 / 100.0	131.3 / 100.0	147.0 / 100.0

* The data in the numerator are in billions of dollars and in current prices; the denominators indicate the percentage of total military outlays.

** Data taken from the draft budget submitted by the Carter Administration in January 1980. The figures do not reflect the congressional decision to increase the budget.

The main reason for the rapid growth of U.S. military expenditures at the end of the 1970's and in the next 5 years has not been the inflationary rise in prices or the rising cost of military equipment, but the desire of American ruling circles to attain military and strategic superiority to the USSR by intensifying the reequipping of U.S. Armed Forces. The following data, published in a number of official U.S. periodicals, provide some idea of the scales of expenditures on the more sizeable and costly U.S. programs:

The first is the Trident missile-carrying submarine system. The amount spent on this system in fiscal years 1976-1979 exceeded 9.5 billion dollars, and the total cost of developing, producing and maintaining the system will reach 30 billion.

The second is the mobile MX land-based missile system. The total cost of its development and deployment will be, according to many American estimates, around 33 billion dollars, or, according to some experts, at least 60 billion.

Cruise missiles, new strategic bombers and tactical F-14, F-15, F-16 and F-18 fighter planes have already absorbed almost 25 billion dollars.

The data examined above attest to the intention of U.S. ruling circles to continue tightening the military machine. The arguments set forth by Washington to justify the constant growth of military spending are dubious and are supposed to conceal the selfish goals that are being pursued by the U.S. military-industrial complex and American imperialism's long-range goal of strategic superiority.

FOOTNOTES

1. This problem is examined in greater detail in V. M. Usoskin's "The Budget: Some Economic and Political Aspects" in issue No 2 for 1973 and Yu. V. Katasonov's "The Economic and Political Purpose of Budget Reform" in No 4 for 1977--Editor's note.

2. The draft budget submitted to Congress by the Reagan Administration will be analyzed in a forthcoming issue of the magazine--Editor's note.

3. For more about this indicator, see p 120 in issue No 2 of the magazine for 1981--Editor's note.

4. ECONOMIC NOTES, January-February 1980, N.Y., p 2.

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